

Now that's fast

Fujitsu's new supercomputer

Page 13

Italy in crisis

Why Amato wants special powers

Page 2

Nordic nightmare

How grand designs came to grief

Page 16

Tomorrow's Weekend FT

Save the tsetse fly: hard truth of animal conservation

# FINANCIAL TIMES

Friday September 11 1992

EUROPE'S BUSINESS NEWSPAPER

D8523A

## ANC prepared to attend summit with De Klerk

The African National Congress agreed that Nelson Mandela, the ANC leader, should accept Pretoria's invitation to meet President F.W. de Klerk to address the question of political violence. The decision represents a victory for the moderate faction of the ANC, which is committed to negotiating a new constitution for South Africa. Page 18; Earlier story, Page 7

**Rabin hints at Golan concessions** Israeli prime minister Yitzhak Rabin said he was ready to compromise over territory in exchange for peace with Syria. It is the clearest indication yet that he might make significant concessions on the Golan Heights, captured from Syria in 1967 and later virtually annexed by Israel. Page 7

**Tough action urged on German economy**

Drastic action must be taken to revive the competitiveness of the German economy and prevent stagnation in the west undermining recovery in the east, warned economics minister Jürgen Möllemann (left). He called for further tough measures to cut public spending in the west and to boost transfers to the tottering eastern economy. He insisted that tax rises could only be a last resort. Page 3

**More UN troops urged** UN secretary-general Boutros Boutros Ghali recommended an enlarged peace-keeping force to escort relief convoys in Bosnia-Herzegovina. He said the current 1,500-strong force in Sarajevo could increase as much as five-fold. Vance and Owen arrive in Sarajevo. Page 18

**Bush tax cut plan** President George Bush claimed that a one percentage point across-the-board reduction in personal income taxes was achievable if Congress agreed to his proposed cap on mandated federal spending. He was speaking in Detroit about what he called his "agenda for American renewal". Page 18

**Internationale Nederlanden Group**, Dutch banking and insurance group, is preparing to launch a bid for Banque Bruxelles Lambert. The offer would value Belgium's second largest bank at \$19.6bn (\$2.19bn). Page 19

**Refugee hostel attacked** Police arrested 71 rightwing youths after they threw firebombs, fireworks and stones at a refugee hostel in Quedlinburg, east Germany, for the third night running. Page 3

**Fujitsu, Japanese computer manufacturer**, has developed a supercomputer able to operate more than 30 times faster than its nearest rival. At top speed, it can make more than 300bn calculations a second. Page 18; IBM and Apple offer cheaper ranges of personal computers. Page 21

**Airbus wins order** Airbus Industrie won an order for up to 10 of its new A340 long-range wide body airliners worth about \$1.1bn from Philippine Airlines. Page 4

**Rhone-Poulenc**, French state-owned chemicals group, surprised the Paris market with a warning that it would not achieve its operating profits target for the third quarter this year despite assurances four weeks ago that the figure was achievable. Page 19

**Polls back Maastricht** Three new French opinion polls forecast a Yes vote of between 51 and 53 per cent in the country's September 20 referendum on the Maastricht treaty. Minister warns of danger of No vote. Page 4

**Iran rifts** Iran has angered the six Arab members of the Gulf Co-operation Council over its claims for sovereignty of three islands near the mouth of the Gulf. Page 7

**Ferry blown up** Tamil rebels blew up a ferry in east Sri Lanka, killing about 30 soldiers and civilians.

**Monsoon deaths** Heavy monsoon rains have killed more than 130 people in northern Pakistan in the past two days.

**IMF cash warnings** The International Monetary Fund warned that its cash resources could fall to their lowest level in years if member countries did not quickly put into effect the \$20bn capital increase they agreed with the fund. The board members also criticised the US Federal Reserve for "fine-tuning" the US economy by repeated cuts in interest rates. Page 6

## STOCK MARKET INDICES

FT-SE 100	2,348.9	(+13.1)
Yield	5.18	
FT-SE Euroshare 100	1,827.38	(+16.17)
FT-A All-Share	1,988.88	(+10.29)
Nikkei	18,999.47	(+102.92)
New York S&P 500	2,279.77	(+16.38)
Dow Jones Ind. Ave.	2,279.77	(+16.38)
S&P Composite	417.13	(+0.77)

## US LUNCHTIME RATES

Federal Funds	3%	
3-mo Treas. Bill Yld	2.982%	
Long Bond	5.91%	
Yield	7.27%	

## EUROPEAN MONEY

3-mo Interbank	7.10%	(10.24)
1-mo long bill future	5.91%	(Sep 92)
3-mo Euribor	5.91%	(10.24)
3-mo Euribor	5.91%	(10.24)
3-mo Euribor	5.91%	(10.24)

## EUROPEAN STOCKS

Austria	3,300	Hungary	1,182	Malta	1,000	S. Africa	3,111.00
Belgium	3,120	Italy	1,182	Mexico	1,000	S. Korea	3,111.00
Denmark	3,120	Netherlands	1,182	Norway	1,000	S. Korea	3,111.00
France	3,120	Portugal	1,182	Spain	1,000	S. Korea	3,111.00
Germany	3,120	Sweden	1,182	Switzerland	1,000	S. Korea	3,111.00

## Italian currency falls below ERM floor despite forced intervention Banks fail to bolster lira

By Robert Graham in Rome and James Birt in London

THE Italian and German central banks failed to stop the lira falling below its floor against the D-Mark in the European exchange rate mechanism yesterday, despite intervening to buy the Italian currency on the foreign exchange markets.

The forced intervention by the Bank of Italy and the Bundesbank came even though the Italian government decided on Wednesday to seek emergency powers from parliament which would allow it to rule by decree in the event of an economic emergency.

Yesterday, the four parties in the Italian government coalition appeared to accept assurances from Mr. Giuliano Amato, the prime minister, that his request for special powers to tackle an economic emergency would not infringe the sovereignty of parliament.

But neither this, nor last week's rise in Italy's discount rate by 1.75 percentage points, could steer foreign currency speculators away from a conviction that the lira is a candidate for devaluation, whatever the result of the September 20 French referendum on the Maastricht treaty.

The Italian currency closed in London last night at L765.7, below its ERM floor against the D-Mark of L765.4. Both the Bundesbank and the Bank of Italy will be forced to support the lira through intervention today, if the Italian currency is still at this rate when ERM trading opens.

The Bundesbank and the Bank of Italy conducted a modest intervention on the foreign exchanges to support the lira, required under ERM rules.

But Mr. Carlo Ciampi, the governor of the Bank of Italy, revealed new tensions with the Bundesbank by saying that German interest rates were "excessively high" and should be cut.

Mr. Ciampi told a parliamentary committee that "in Germany the task of rebuilding the east must not prevent interest rates falling from their current levels". Mr. Amato appeared before the Senate yesterday morning to explain his proposal. He said the government needed measures to take rapid decisions to cope with fast changing market conditions at a time of economic crisis. He based the idea on a June 1987 decree introduced by the then West German government.

He suggested the Senate and Chamber of Deputies should form a commission, each providing 15 members, in the event of an emergency being invoked to monitor government actions. Under the proposal, the governor of the Bank of Italy would decide when circumstances warranted resorting to the emergency powers.

The government gave no indication on the timetable for submitting the decree to parliament. But if Mr. Amato is confident he

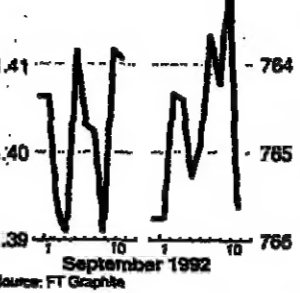
has the backing of his four party coalition with a 16 seat majority in the Chamber of Deputies, it will be processed quickly. The Party of the Democratic Left (PDS) and its former communist colleagues in the breakaway Reconstituted Communism claimed the proposal was "an attempted coup d'état".

Mr. Achille Occhetto, the PDS leader, said the government was trying to introduce in a hurry fundamental institutional changes at the very moment when parliament had just formed a commission to study such reform. The 60-person institutional reform commission was constituted on Wednesday.

In another development designed to regain credibility in the financial markets, the treasury issued a statement saying it would honour all debt and obligations incurred by IRI, the state holding company, ENEL, the electricity authority and INA, the insurance

## Dollar Lira

Currencies against the D-Mark



Source: FT Graphs

Italy takes offensive, Page 2  
Credit Italiano, Page 19  
Capital markets, page 23  
Currencies, Page 44

## Swedish interest rates to stay high says bank chief

By Robert Taylor and Sara Webb in Stockholm

SWEDEN'S short-term interest rates will remain high until the country's government and its parliament agree on a strategy to eradicate Sweden's structural budget deficit over the next two to three years.

This was the message delivered by Mr. Bengt Dennis, governor of the Riksbank, the country's central bank, in an interview with the Financial Times yesterday.

Over the past two days, he said, there had been a "satisfactory response in the markets" to the central bank's decision to lift its marginal interest rate to commercial banks to a towering 75 per cent. He added that there had been "a substantial inflow of capital" as a result.

Mr. Dennis, aged 62 and celebrating his tenth year as governor this month, is also pleased at the unanimity among Swedish industrialists and politicians in support for the authorities' fixed exchange rate policy and repudiation of devaluation.

"We have learned from experience that devaluation was the wrong policy," he said. He added that "no restrictions" were being imposed on the central bank to

use whatever means were necessary to defend the krona.

Mr. Dennis reaffirmed that Sweden still wanted to have associate status with the European exchange rate mechanism as soon as possible within the narrow 2.35 per cent fluctuation band, with access to support from other central banks and credit facilities. This would be in place before the country joins the European Community, which would be in 1995 at the earliest.

But the governor is anxious for the government to come up with a medium-term plan to eliminate the structural deficit and satisfy the markets.

"The sooner we have such a policy the better," he said, adding that at the moment, there was "no programme, no timetable, nor has parliament agreed on any measures. This is what is troubling the markets".

There was a long way to go before the politicians focused on the budget deficit issue, he said. "They have not got down to serious work."

Continued on Page 18  
Mortgage market worries, Page 2  
Dreams turned to dust, Page 16  
Capital markets, Page 23  
World stocks, Back page, Section II

## Gillette adds Parker Pen to Paper Mate in £285m deal

By Jane Fuller in London and Nikki Tait in New York

GILLETTE, the US toiletries and shaving products group, is writing itself a much bigger role in the world pen market with the \$285m (£285m) purchase of Parker Pen. Parker, based in the UK since a \$100m management buy-out from its US parent in 1985, said yesterday it had decided against seeking a stock-market flotation.

By adding Parker to its Paper Mate and Waterman brands, Gillette should double, to 15 per cent, its share of the world's \$5bn writing instrument market. Parker claims to be the world leader in ballpoint pens and roller balls, making about \$3m a year.

Up market, where Parker sports the \$3,000 18-carat gold Premier Presidential, it makes 6m pens a year and reckons to rank second to Mont Blanc, which is owned by Dunhill.

Mr. Gerry Grinstone, the Schroder director who organised the sale, said that when \$15m to \$20m of profit-related payments were added to the purchase price,

plus the assumption of \$45m debt, the deal was worth \$240m.

Mr. Jacques Margry, Parker's chairman and chief executive, who owns 24 per cent of the company, said flotation had been rejected because it would have raised only about \$285m. Venture capitalists companies which backed the MBO would have had to wait too long to realise their investment.

Parker was nearly sold to Penland Industries for about \$180m in 1988, but the deal foundered on warranties and indemnities.

Mr. Margry started with Parker 43 years ago "in the service department learning how to disassemble and maintain pens", then predominantly fountain pens and ballpoint pens.

As area manager in Europe, he felt the US parent company - which changed its name from Parker Pen to Manpower after it sold the pens business - erred in the 1980s when it tried to push the pens downmarket, a fiercely competitive segment suited to mass production experts such as Bic. "After the MBO, we returned to our origins, which was to

make good quality pens."

In its last year under its US parent it lost \$20m. In the 12 months to February 1992, Parker made \$29.5m pre-tax on sales of \$181m. About 60 per cent of Parker's sales are in Europe, 17 per cent in North America, 15 per cent in Asia and the Pacific and 8 per cent in Latin America.

Parker Mate sales, which are strong in North and Latin America, concentrate on products costing \$5 or less. Waterman's greatest strength is in the \$50-plus segment. Parker sells heavily in the \$5 to \$50 range.

Boston-based Gillette bought Paper Mate Pens in 1985 and the Waterman Pen Company in France in 1987. Last year, its stationery products division had sales of \$460.3m and operating profits of \$48.8m.

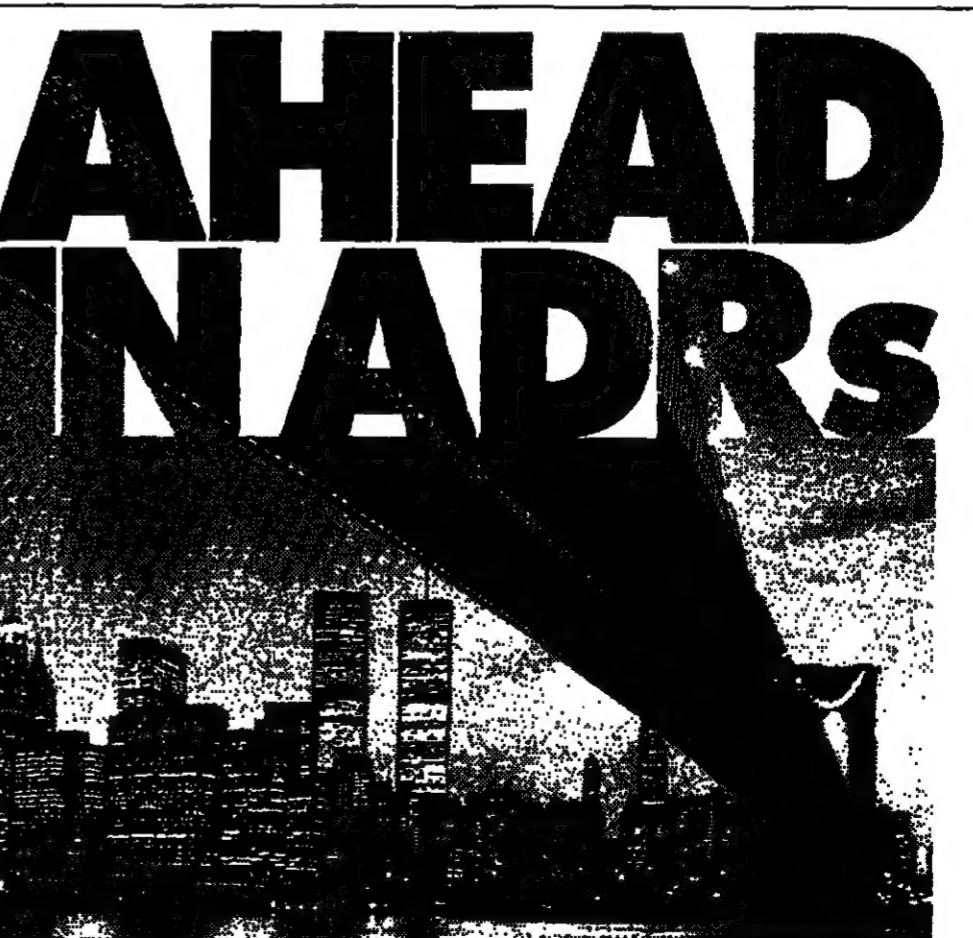
The beneficiaries of the sale will be Parker's management, which owns 31 per cent. Schroder Ventures with a similar amount, the Parker family 16 per cent, and Electra and Chemical Ventures, 10 per cent each.

The deal must be approved by regulators in various countries.

## UNITED NATIONS SPECIAL ENVOY

Cyrus Vance (right) is briefed by a French member of the peace-keeping force after arriving in Sarajevo yesterday with Lord Owen, the European Community mediator.

Page 18



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## NEWS: EUROPE

## Sweden awaits return of 'hot money'

By Sara Webb in Stockholm

SWEDEN'S commercial banks have a total of SKr46.6bn (£4.56bn) in borrowings outstanding from the Riksbank, the central bank, but the Riksbank's graduated ladder of interest rates means that only SKr1.6bn of these funds attract the top marginal rate which yesterday reached 76 per cent.

A rate of 75 per cent applies to the next SKr4.4bn of bor-

rowing. As the banks borrow more from the Riksbank, the higher rates of interest come into play.

Each individual bank has its own interest-rate scale which is set according to its capital base.

Riksbank officials estimated that the average overnight lending rate would be about 22 to 24 per cent for banks borrowing from the central bank.

The central bank governor, Mr Bengt Dennis, refused to

comment on how long the marginal rate would be kept at such a high level.

However, there was speculation in the financial market that the marginal rate may be lowered in stages after the weekend.

The effect of the rise in the marginal rate was to push up money market rates, and draw so-called "hot money" back to Sweden.

Foreign and domestic investors bought Treasury bills and

forward contracts on the Swedish krona in order to take advantage of the high returns currently available.

Foreign and domestic investors were described as enthusiastic buyers of the Treasury bills during Wednesday and yesterday.

The rate on three-month Treasury bills ended at 24 per cent yesterday. This compared with less than 15 per cent on September 1.

The rate on six-month Treas-

ury bills reached 19 per cent yesterday. The Riksbank said investors had also been buying forward contracts on the Swedish krona in order to benefit from the difference in currency interest rates.

According to Mr Dennis, the decision to raise the marginal rate to such high levels was intended "to send a very strong signal to the market that we mean business" and to deter speculation in the currency.

## Italy takes the offensive in battle for its currency

MR GIULIANO AMATO, the Italian prime minister, has taken a leaf from the military textbook: when out-numbered, surprise is the best form of attack.

In proposing on Wednesday that parliament approve a law delegating to the cabinet wide powers in the event of an economic emergency, Mr Amato has stirred even the most somnolent back-benchers.

Yesterday, the 54-year-old Socialist prime minister had to deploy all his considerable talents to explain his intentions.

The partners in the government coalition - the Christian Democrats, Socialists, Social Democrats and Liberals - swung behind him as parties. But individual party members voiced misgivings, while the opposition Reconstructed Communists declared the move an "attempted coup d'état".

Nevertheless, Mr Amato's move has placed on the table an issue which parliament can ignore only at the nation's expense. The government says existing legislative procedures are out of step with the rapid decisions necessary at a time of financial turbulence. Italy faces a foreign exchange crisis.

The lira has hovered at its floor in the European Monetary System for two months and the discount rate has been raised since last week to what is seen as an unsustainable 15 per cent.

This situation has been triggered by scepticism in the financial markets about the ability of any Italian government to carry out tough measures to reduce a huge debt and improve public finances, to bring the country into line with its European partners.

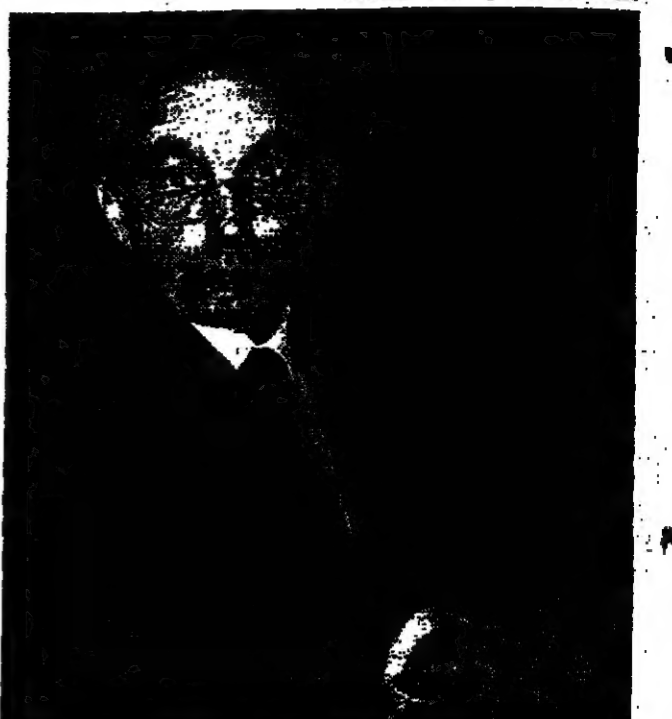
Part of the scepticism derives from the record of successive Italian governments who have ducked unpopular measures despite promises of mending their ways. But the markets are also worried about the time it takes the government to turn policy into legislation.

For instance, the law allows parliament three months to debate the annual budget, and parliamentary procedures allow amendments, which can emasculate the original proposals. Italy's coalition governments with narrow majorities (the Amato government has a 16-seat majority in the Chamber of Deputies) also mean that special interest groups can enjoy disproportionate influence.

The procedures themselves are time-consuming. Debates in commission and full house are repeated in the Senate and the Chamber of Deputies. Thus the emergency economic package designed to raise an extra £30,000bn was announced on July 10 and the government used a vote of confidence to push it through in record time, but even so, it took a month.

The situation is more dramatic now. On July 10 the government announced its intention to reform pensions, public health, local administration

The government has stirred even the most somnolent back-benchers with its latest effort to streamline economic decision-making, writes Robert Graham



Prime Minister Giuliano Amato: his logic is hard to dispute and the civil service as the centre piece of money-saving in its 1993 budget.

Mr Amato is hoping to obtain parliament's approval for delegated authority to provide the details of these reforms; but parliament still has to approve the outline reforms. Until this is done, the budget cannot be properly prepared, and this has to be presented to parliament by the end of the month.

The current state of nervousness, compounded by worries over the French referendum on Maastricht, has forced the government to behave like a conjuror pulling rabbits out of a hat. This lay behind the cabinet decision on Wednesday to try to appease the markets with a plethora of measures and intended measures.

These included the selling-off of Credito Italiano, one of the top five commercial banks, and Nuovo Pignone, the heavy engineering subsidiary of ENI, the state oil concern.

Squally, the absence of sufficient evidence from Italy's body politic to confront tough decisions was reflected in yesterday's performance of the lira, which again touched its floor against the D-mark in the ERM.

Yesterday, Mr Amato told the Senate he was aware of their concerns that the emergency powers should not be to the detriment of parliament's sovereignty.

He proposed 15 representatives of each house should form a monitoring committee in the event that the law be approved and invoked.

Further, he insisted that it would be for the governor of the Bank of Italy, as an impartial observer, to decide when circumstances merited the government invoking emergency powers.

But he warned that the interdependence of international economies meant Italy had to respond to fast-changing events with speed, otherwise

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## Warning over serious impact on economy

By Robert Taylor and Sarah Webb in Stockholm

MR Lars Jagren, economist at the Federation of Swedish Industries, said the large leap in interest rates would have a serious "negative impact" on the Swedish economy.

"Even if the rates come down, it is unlikely they will come down to their previous level (of 13 per cent in the marginal rate) immediately."

He warned that the high rates will curb consumer demand - which is already weak - and probably lead to an increase in the number of bankruptcies, a rise in unemployment (currently at a historic high of 5.5 per cent) and a further decline in property prices.

The impact is likely to be much greater on smaller com-

MANY of Sweden's bank customers are worried that the unprecedented increase in the marginal rate - the rate at which the central bank lends to other banks - would be reflected in higher interest rates on home loans and mortgages. Our Foreign Staff writes.

Svenska Handelsbanken, one of the biggest commercial banks in Sweden, told customers yesterday that if they wanted to take out new loans, the bank would not be able to provide any indication yet of where the interest rates would be pitched.

Some mortgage lenders have already acted on the news and raised mortgage rates. Statshypotek, a mortgage lender, raised its rate from 17.5 per cent on Tuesday to 24 per cent yesterday. Sweden's main savings bank raised rates on personal loans by 2.5 percentage points to 18-20 per cent.

panies than on the big groups, many of which are well insulated from the turbulence in Sweden because a high proportion of their income comes from abroad.

Corporate Sweden was adopting an unconcerned attitude yesterday to the new high short-term interest rates.

of Aga, the industrial group. Only about 10 per cent of his company's activities are within Sweden. "We are little affected by what is happening in the Swedish market. Aga can live with the interest rates but I am less sure about our domestic customers."

For Sweden's internationally-renowned blue-chip companies like Volvo, Electrolux, Saab-Scania and Astra, the draconian domestic interest rates play little part in their calculations.

"The short-term interest rates have no impact at all on us," said Mr Klaus Dahlbeck, chief executive of investor, the largest Swedish investment company in the Wallenberg sphere of interest. "We fully support the action the central bank has taken."

Some companies could make short-term gains from the high

rates as long as they have liquid funds that can be used in the money markets.

"The short-term interest rates actually have a slightly positive effect on our business," said Mr Stefan Ternby, vice-president at Astra. "We have substantially more liquid funds than any interest-bearing short-term liabilities."

Mr Lars Ramqvist, chief executive at Ericsson, the telecommunications giant, agreed. "We are in a fortunate position with a good liquid cash situation."

"We can even gain in the short term from these high interest rates." But he added that he supported the high interest rates as a "warning signal to Sweden."

"It is better for us to stick to the present exchange rate value."

## Greek government under fire

Kerin Hope on ex-ministers joining the attack on pension reform

GREECE'S conservative government, wrestling with the public sector unions over pension reform, has come under attack from a group of prominent ex-cabinet ministers opposed to its tough new economic policy.

The dissidents claim they represent the ruling New Democracy party's social conscience. But their populist call for gentler handling of the economy, if heeded, could wreck Greek efforts to meet the Maastricht targets for European union.

In August, Prime Minister Constantine Mitsotakis, after months of prevarication, finally gave the green light for launching painful reforms urged by the European Commission and the International Monetary Fund.

A revenue package, including a 30 per cent increase in petrol prices, was followed by privatisation of the strike-plagued Athens bus company. The dismissal of 8,000 workers, the first large-scale purge of public sector workers for many years, set the stage for a decisive confrontation between

government and the unions. The measures also provoked the populists in New Democracy, a party still dominated by old-fashioned patronage politicians, to step up their campaign to undermine the technocrats who have taken over at the economic ministries.

Divisions in the party deepened as Mr Mitsotakis moved away from the populist faction - whose *laissez faire* approach to the economy influenced his first two years in office - to back Mr Stefanos Manos, the economy minister, and his energetic team drawn from outside the New Democracy ranks.

The dissidents this week publicly criticised the new pension law being debated in Parliament.

Although the legislation was approved in principle yesterday, both Mr Athanasios Kanelopoulos, former deputy prime minister, and Mr Antonis Samaras, former foreign minister, have said they will oppose several of its clauses.

The political atmosphere is already highly charged after

two weeks of strikes by workers in the power company, state-controlled banks, transport and telecommunications organisations which are crippling industry and disrupting everyday life.

While the populists say they are as enthusiastic as anyone in Greece about European union, they appear reluctant to accept that only a radical overhaul of the pension system can have an impact on reducing the public-sector deficit and overall debt in accordance with Maastricht requirements.

This year Greece will spend almost 15 per cent of the country's gross domestic product on pension outlays, the largest single item of government spending. The population is ageing faster than in any other EC country. The main pension funds, chronically short of contributions and often mismanaged, are sunk in debt.

It is clear the government cannot afford to maintain the generous policies of the past, with many public-sector workers receiving pensions equivalent

to 90 per cent of their salaries well before reaching their sixties. The new law, drafted with the help of advisers from the IMF, Britain and Germany, aims at gradually raising the retirement age to 66. Contributions will be increased, while new entrants to the workforce will have to accept that in future pensions will represent a much smaller percentage of salaries.

However, strong unions like the electricity and bank workers, able in the past to secure extra wage increases and special benefits from the ruling party because of their power to bring the economy to a halt, are fiercely resisting reform.

Moreover, Mr Andreas Papandreu, the opposition leader, has been quick to exploit the unions' challenge, calling on members of his Panhellenic Socialist Movement to take to the streets in support of the strikers.

Despite his avowed support for Maastricht, Mr Papandreu has boosted the unions' cause by pledging to repeal the pensions law if he returns to power.

## Arctic seas show 'no N-radiation'

THE first Western researchers to investigate the Arctic waters north of Russia for nuclear waste said yesterday that preliminary tests showed no radiation from such waste believed dumped by the Soviet Union, AP reports from Oslo.

A Norwegian-Russian team returned to Kirkenes in Arctic Norway yesterday after a three-week expedition in the Kara Sea, a formerly closed area near Russian naval bases and a nuclear weapons test site, the Norwegian news agency NTB reported.

A Norwegian official said the scientists were only allowed to take samples at 11 points selected by the Russians, and were denied access to the most interesting areas.

Greenpeace has claimed that the Soviets dumped 17,000 containers of atomic waste, as well as 15 nuclear reactors, in the Arctic oceans. Mr Aleksander Mikhailov, a nuclear safety official in the Russian port of Murmansk, has said that the Soviet Union dumped radioactive waste in the Kara Sea as recently as last summer.

## Murdered man mourned only by communist faithful

## Poland's old party hands bury ex-premier

By Christopher Bobinski and Anthony Robinson in Warsaw

MOST OF the leaders of former communist Poland yesterday paid their last respects to Mr Piotr Jaroszewicz, the former prime minister who was murdered with his wife 10 days ago. However there were some conspicuous absences, with neither the Polish state, nor the government, nor the army in attendance. As a communist, he was also buried without benefit of clergy.

Farewells were left to the old party cadres. Mr Edward Gierek, the former communist chief, tanned and relaxed, signed autographs for his ageing admirers. General Wojciech Jaruzelski, the general who briefly interned the 1970s leadership during martial law, hovered discreetly in the background as did his prime minister Mr Mieczyslaw Rakowski.

But the man who best captured the fears stirred up by the murders was Mr Jerzy Urban, the mouthpiece of the regime during martial law and now the publisher of a highly-successful but scurrilous weekly. His tiny, round figure and bald head was practically invisible behind a wall of mean-looking bodyguards.

The still-unresolved murder shocked Poles, including those who cordially detested the humdrum, Moscow-loyal apparatchik who together with Mr Gierek, picked up the pieces after police suppressed the 1970 Gdansk shipyard revolt.

The bloody street fighting led to the downfall of party



Former Polish communist leader Edward Gierek throws earth on the coffin of murdered former prime minister Piotr Jaroszewicz in Warsaw yesterday

boss Wladyslaw Gomułka, whose son was among yesterday's 5,000-strong crowd of mourners. More important, it fatally undermined the prestige and long-term survival of communism in Poland and beyond.

Once in power, Mr Gierek and Mr Jaroszewicz turned to western bankers and government export-credit agencies to prop up their shaky regime. They sought finance to import

western goods. Western bankers, flush with Arab oil money, were pleased enough to oblige.

Unfortunately, such transplants were not enough to heal the underlying sickness of the communist economy and the \$20bn borrowed in the Gierek-Jaroszewicz years ballooned into \$46bn through accumulated unpaid interest. Significantly, bankers were not among yesterday's mourners and sent no flowers.

## Ukraine may bring back state controls

By Chrystia Freeland in Kiev

THE Ukrainian government is to reintroduce state control of wages and prices, according to an economic action plan to be presented to parliament next Tuesday.

The economic blueprint reflects the pragmatic and heavy-handed approach of its author, Mr Valentyn Symonenko, first deputy prime minister.

The proposals of his more reformist predecessor, Mr Volodymyr Lanovoy, were praised by western experts but struggled by government infighting. However, Mr Symonenko, who has been granted wide powers to rule the Ukrainian economy by decree, has already won the approval of Mr Leonid Kravchuk, the Ukrainian president, and Mr Vitold Fokin, the prime minister. If parliament backs his proposal next week, the plan will represent an unprecedented political consensus on what to do with Ukraine's faltering economy. Mr Symonenko has warned that Ukraine has fallen victim to a dangerous inflationary spiral of rising wages and prices.

In a diagnosis that echoes the International Monetary Fund's report on Ukraine, the plan identifies the ballooning

budget deficit, the collapse of the financial system and the deterioration of inter-republican trade as the main sources of Ukraine's economic malaise. When the IMF visited Kiev last week, their request for a written copy of the programme was denied. The IMF has yet to see the complete programme.

Mr Symonenko's remedy is, in the short-term, to tighten administrative control over all sectors of the economy. In the long term, the plan insists that Ukraine is headed for a market economy and views privatisation and the introduction of a separate Ukrainian currency as the main forces to propel it along that path.

Mr Symonenko's plan calls for stricter limits on the emission of credit and a curbing of the budget deficit, already running at \$669.6bn.

Concrete proposals for reining in the deficit include ending the disastrous practice of allowing state enterprises to cover their own financial shortfall out of the government's budget, restricting industrial and agricultural subsidies, which currently place the greatest strain on the budget, and making the funding of all government programmes conditional on the government having sufficient revenue.

## Astra satellite system feeds nearly 40m European homes

By Raymond Snoddy

NEARLY 40m European homes will be receiving satellite television from the Astra satellite system by the end of this year, according to a new survey. The study by Carat, the media group, and the London-based Continental Research covered a total of 19 European coun-

tries including Poland, Hungary and Czechoslovakia. The survey, which brings together data on homes receiving multi-channel television direct from satellite, through cable networks and using communal aerials, says the total will be 38.2m by the end of the year, more than 25 per cent of all television homes.

Within a month of the proposal being approved by parliament, the tax authorities will start sending a questionnaire to people suspected of

## 'Tax meter' unveiled to expose Italian dodgers

By Robert Graham

THE Italian finance ministry claims to have perfected a device to catch tax-evaders. It is called a "redidometro" - literally an income measurer - but more aptly it might be termed a "taximeter".

In essence a computer model of a person's income is drawn up on the basis of their possessions and the cost of their maintenance.

This is then measured against that individual's declared income. If projected income exceeds more than 25 per cent of declared income, then the tax-payer will be called to explain.

Against the back-drop of continuing large-scale tax evasion the authorities want to have a reliable means to check declared income against real earnings.

The government has previously relied on an unsophisticated system of assessing "real" income, backed up by casual checks from finance ministry inspectors.

According to Mr Giovanni Goria, the finance minister who announced the new "taximeter" after Wednesday's cabinet meeting: "The real novelty but in its application which can now be applied on a vast scale thanks to all the information technology available to the ministry."

Within a month of the proposal being approved by parliament, the tax authorities will start sending a questionnaire to people suspected of

evading taxes asking for details about the size of the home and nature of ownership, possession of cars, motor-cycles, yachts, helicopters and aeroplanes as well as household help.

Each item is graded on a scale of one to 10 to form the model projection of the contributor.

Interestingly, the only items to be graded the potential maximum 10 points are insurance policies and life insurance premiums - and indeed the latter if divulged provides an accurate indicator of wealth.

Another indicator, telephones and telephone bills, are excluded.

But already the finance ministry has threatened to check taxpayers' electricity consumption to check the size of homes.

Critics argue the "taximeter" blurs the distinction between checking wealth and income while the government maintains that in a country where there is chronic tax evasion the assessment of wealth must be used as a means to establish income.

The authorities have carefully chosen to ask people to declare these items whose ownership can be easily checked in existing registers.

Successive Italian governments, partly reflecting the authoritarian controls of Mussolini times, have established an ever growing tangle of bureaucracy surrounding the purchase of items like cars, the transfer of property or the

supply of public services. Italians are asked to divulge a large number of intrusive details about themselves.

However, until now the country's tax authorities appeared never to have co-ordinated such information.

In theory, computers have made this possible. But equally the tax authorities' threat to be more intrusive could encourage the evaders to be even smarter, and in turn create even more bureaucracy.

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هناك حكاية

# Möllemann warns of German stagnation

By Quentin Peel in Bonn

DRASTIC action must be taken to revive the competitiveness of the German economy, and prevent a vicious circle of stagnation in the west undermining recovery in the east, Mr Jürgen Möllemann, the economics minister, warned yesterday.

In a thoroughly gloomy assessment of the state of the German economy, he called for further tough measures to cut public spending in the west, to boost transfers to the tottering eastern economy, and insisted that tax increases could only be considered as the very last resort. "The economy in west Germany is stagnating," he declared. "Most of the economic indicators point downwards. The expected relief from [increased] exports is not within reach." As for east Germany, it was still far removed from any self-sustaining recovery.

"The danger exists that our entire productive capacity will be overtaken for the foreseeable future."

As the government, opposition, industry and trade unions appeared to be manoeuvring towards the negotiating table to thrash out Chancellor Helmut Kohl's proposed "solidarity pact", further details emerged on the plight of the east German economy.

The new Institute for Economic Research in

Halle warned that the collapse of eastern industrial production could get worse. The key engineering sector had been badly hit by the collapse in trade with eastern Europe. In May this year, it was producing just 25 per cent of its monthly output for the second half of 1990.

Mr Wolfgang Roth, the economics spokesman of the opposition Social Democratic party (SPD), called on the German government to make industrial recovery in the east the highest priority on its agenda. A pick-up in service industries, retail trade, banking and insurance could not provide the basis for a genuine economic revival, he warned.

He said the government must admit the full

plight of the eastern economy, and the mistakes in its own policies, to make the planned round table talks on a solidarity pact meaningful.

Mr Theo Waigel, finance minister, made it clear that the government was hoping for agreement on an outright wage freeze from the talks, the planning for which will begin next week.

Mr Möllemann spelt out a string of tax reforms for industry he wanted, in addition to the corporation tax reform for 1994 announced by Mr Waigel, which would cut the rate from 50 to 44 per cent.

The trade unions, on the other hand, are adamant that a solidarity pact must involve sacrifices from industry and the well-paid.



Right-wing violence flares up

RENEWED violence against asylum-seekers has flared again in east Germany, Leslie Collett writes from Berlin. For the third day, nearly 100 young right-wing extremists hurled incendiary bombs, fireworks and stones at a hostel for asylum-seekers in Quedlinburg, Saxony-Anhalt, late on Wednesday night.

Police arrested 71 youths, one of whom is being frisked in the picture above. About 200 local people looked on as the assault took place. Some shouted encouragement but most stood passively, according to the authorities.

## Many voices go into a Issing firm on targets Bundesbank utterance

By David Marsh

THE Bundesbank's alab-like headquarters on the outskirts of Frankfurt gives the German central bank the look of a monolith. However, the bank makes its views known to the outside world in a bewildering multiplicity of ways. This is primarily because of its pluralistic way of making decisions.

When, as in recent weeks, a variety of Bundesbank views ricochet onto the foreign exchange markets from several different angles, the central bank can stand accused of inconsistency.

Worse, when remarks from the centre of the Bundesbank appear to be contradicted by those from the periphery, the central bank can appear to be organising some form of conspiracy.

The appearance of riggedness is an inevitable result of some deep-rooted ambiguities in the bank's management of Germany's current economic problems.

On the one hand, the central bank welcomes the concept of stabilising exchange rates within the European Monetary System in a way which will maximise anti-inflation discipline. On the other, it wants the EMS to remain capable of organising occasional exchange-rate adjustments to allow for differing economic performances among member countries.

Because its short-term priority is to keep exchange rates stable, the Bundesbank has no interest in furthering speculation that it is trying to engineer an EMS realignment.

Nor does it want to strengthen the view that another increase in its Lombard rate may soon be on the cards. This is why Mr Helmut Schlesinger, the Bundesbank president, agreed at the weekend that the Bundesbank would not raise its interest rates "in present circumstances".

Even though Frankfurt money market rates are just under the 9% per cent Lombard level, another increase in the rate looks unlikely, in view of strong signs of stagnation in the German economy.

**A rumour gets going, unnerves the markets, and is finally squashed**

By James Bitt, Economics Staff

FOREIGN currency dealers are well known for having an attention span of two minutes. But yesterday, they were still discussing a news story which surfaced on Wednesday night, suggesting the Bundesbank wanted to see a devaluation of several European currencies, including sterling.

The story, published by an Anglo-French news agency on Wednesday, immediately pushed the pound and the Italian lira down to new lows. Both currencies recovered during trading in the North American market after the Bundesbank, the UK Treasury and the Bank of Italy issued strong denials of the rumour.

But the episode illustrated how nervous foreign exchange dealers have become in the run-up to the French referendum on Maastricht on September 20. "Rumours like this are coming in every 10 minutes in this market," said Mr Jim O'Neill, head of research at Swiss Bank Corporation in London. "Rumours usually don't affect the foreign exchange market with this frequency or intensity."

At 4pm on Wednesday the AFX news agency, run jointly by Agence France-Presse and Extel, issued a short story through its Frankfurt office. This said that Bundesbank sources saw a realignment of the European Monetary System as necessary, regardless of the result of the French referendum. The source was quoted as saying that the Bundesbank believed the lira, peseta and sterling were "all candidates for devaluation".

AFX had not directly inter-

viewed a member of the Bundesbank. Its story came from an internal circular written by an unnamed European bank. Yesterday, the news agency refused to reveal its source, although several dealers suggested the circular might have come from a big French commercial bank.

The report only came to the attention of the market at about 4.15pm, after it was run by the Oracle television text service run by Britain's Independent Television News. According to some market sources, the Oracle text compressed the agency report, omitting its indirect nature.

A few minutes later, it was picked up in this form by the London stock exchange's Topic news service and came to the direct attention of the markets.

Starting dipped to DM2,780, its lowest point against the D-Mark since Britain joined the Exchange Rate Mechanism. The lira was also heavily sold and fell below L765, close to its ERM floor of L765.40.

At 5.30pm, both currencies started to recover as the Bundesbank, the Bank of England and the Bank of Italy issued separate statements saying a realignment of the ERM was out of the question. But there was intense pressure on both currencies throughout European trading yesterday.

Analysts said the market had heavily over-reacted to the report. However, its timing explained its impact. "At some time in the next few weeks, we will either see a realignment of the EMS or the Bundesbank will bring interest rates down," Mr O'Neill said. "Anything which convinces the market of one outcome or the other is bound to be sensitive."

officials, is that the decision on realigning is basically up to individual countries.

The Bundesbank can, however, hardly pretend that EMS tension is above all a problem for others, since its high interest rates are a principal cause of the present turmoil.

The central bank is not hatching a conspiracy to bring the EMS to its knees. But, if the EMS does suffer a breakdown in the next few weeks, the Bundesbank can hardly claim to have been nowhere near the scene.

By Andrew Fisher in Frankfurt

THE Bundesbank will not be deflected from its policy of pursuing firm monetary targets by outside criticism or failure to meet these in the short term, Mr Ottmar Issing, a director of the German central bank, said yesterday.

He told economists in Hamburg the Bundesbank's concept of setting medium-term goals in line with expected growth in production was founded in solid theory and had helped achieve the monetary stability to which the Bundesbank was committed by law.

This strategy would not only be appropriate as part of a European monetary union, he

added, it was "without any convincing alternative". Mr Issing spoke as financial markets continued to be nervous ahead of the French referendum on Maastricht and as speculation continued about the Bundesbank's intentions.

In a magazine interview, Mr Eberhard Martini, head of the German Banking Association, said he expected the high discount and Lombard rates to be cut at the start of 1993 at the latest and "perhaps already in December". He cited signs of moderation on the wage front, notably union concessions to help Lufthansa master its current crisis.

The Bundesbank has lifted German interest rates to pres-

ent record levels - the Lombard rate is at 9.75 per cent - to curb inflation and dampen monetary growth.

Mr Issing said domestic influences on inflation, expected to average 3.5 per cent in 1992, showed "anything but cause to sound the all clear". Inflationary relief came almost wholly from abroad; in July, import prices were 4 per cent down on a year ago.

He denied the Bundesbank was operating too rigid a policy based on "sticking blindly" to monetary targets. The central bank also considered other factors. That a monetary target could not be achieved in a particular period did not render the bank's concept obsolete.



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This alone is bad enough. But, as land has been cleared for more "profitable" use, the wildlife that depends upon it has been devastated.

Creatures that were once commonplace may never be seen again. Others, such as the barn owl, the natterjack toad, the skylark, the red squirrel, the turtle dove, the omer and the nightingale, are now under threat.

Would you choose to live in a country where creatures like these existed only in the pages of a nature book and where the sound of summer birdsong was silenced forever? Indeed, would you like your children to inherit a land that would be unrecognisable to your grandparents?

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\*Source: Hansard S.11.91. OECD Estimate.

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## NEWS: THE FRENCH REFERENDUM

Sapin foresees threat to French economy

## Minister warns of danger of No vote

By Robert Mauthner in Paris

MR Michel Sapin, the French finance and economics minister, yesterday threw the weight of his powerful government department behind the campaign for a Yes vote in the referendum on the Maastricht Treaty to be held on September 20 and predicted widespread adverse consequences in the event of a negative outcome.

"A vote in favour of the treaty by the French people, and not only by its parliament, would reinforce France's position not only within Europe but in the world," the minister said at his weekly press conference, reinforcing his point with detailed statistical information showing how France had benefited from membership of the European Community.

On the other hand, a No vote would weaken France's international position and have very bad economic consequences.

One of the results, according to Mr Robert Lion, managing director of France's principal state savings and investment institution, the Caisse des Dépôts et Consignations, would be a general rise of 1 point in French interest rates and a fall of economic growth to below 2 per cent in 1992, compared with 2.5 per cent in the case of

a Yes vote.

These warnings from two of the leading members of the country's financial establishment coincided with the publication of new opinion polls showing a continuing decline in support for the Maastricht Treaty, though those intending to vote Yes in the referendum remain in the majority.

Although they predict a narrow victory for the Yes camp, the polls do not agree on the size of the majority. The IPSOS institute announced yesterday that 53 per cent of the voters polled intended to endorse the

Maastricht Treaty, against 47 per cent who would vote against it. But the ISL poll found that only 51 per cent of the electorate at present intended to vote Yes, compared with 49 per cent opposing the treaty.

The large number of polls conducted over the past three weeks, publication of which will be banned from midnight on Saturday until the referendum is held a week later, show that a large number of voters remain volatile and could change their minds at the last minute.

## Poll of Maastricht polls

Percentage votes cast



Source: Compilation of newspaper polls

## Lisbon fears 'crisis' for Europe

REJECTION of the Maastricht Treaty on European union by the French electorate would cause foreign exchange and financial instability and throw the Community into crisis, Mr Antonio Borges, deputy governor of the Portuguese central bank, warned yesterday. Patrick Blum writes from Lisbon.

The Portuguese government, whose economic strategy is predicated on deepening European integration, is concerned

at the possibility of a negative vote in the French referendum.

Mr Borges told the Financial Times a No result would be "disastrous not just for Portugal, but especially for Portugal" - "Not simply because of the money [Portugal receives from the Community], though that is important, but because [Portugal's EC membership] has opened trade opportunities, encouraged foreign investment which otherwise would

not have come here, and has motivated [the authorities] to implement difficult domestic decisions which would not have been made without the excuse of the Community."

About three-quarters of Portugal's trade is with the Community, which is also the main source of direct foreign investment. Trade would suffer and investment decisions would be put off if there was financial instability, he said.

## Maastricht bewilders the Vosges

David Buchan visits the home town of leading No campaigner Philippe Séguin

GUFWAUS break out in the Bar de La Poste, as the news is read out from the local paper that the city hall has acquired a new table. "I didn't know the mayor was so hard pressed for furniture," mocks one of the bar-proppers.

The mayor in question is Mr Philippe Séguin, better known to millions of French since last week as the man who took on President François Mitterrand in single televised combat over the treaty of Maastricht. The table in question is the small round one over which the two men debated in the grand amphitheatre of the Sorbonne and which Mr Séguin has now brought to Epinal as a souvenir of his historic encounter.

In fact, most of the denizens of the Bar de La Poste say they will vote Mr Séguin's way - No - in the September 20 referendum. Not because they necessarily agree with the way the neo-Gaullist RPR leader articulated his objections to the pact on European union but, mainly, because they can't make head or tail of it.

"I read it three times, and still don't really understand what it's on about," says Mr Laurent Grosdemange, son of the bar's proprietor. He says he would like to vote Yes to portions of the treaty and No to others, and so in 10 days' time he may end up posting a blank ballot.

One of his customers, a



Séguin: debate not a moment of historic clarity

Picture: Ashley Ashwood

young trainee mechanic, says he may also adopt the same tactic. Why vote at all, then? "At city hall, they keep a record of whether you have voted, and if you want something from them later on, it's better to have voted something - even blank - than nothing at all," he says.

This attitude helps explain why the level of abstentions/ don't knows/won't says is still so high, nearly a third in most

opinion surveys, frustrating predictions of the outcome.

Clearly, then, the Mitterrand-Séguin debate was not one of those moments of heroic clarity in French history, such as used to be recorded in the 18th-19th century prints known aptly as "les images d'Épinal", produced in the city.

But, locally, if Mr Séguin has not charmed his anti-Maastricht supporters by his stand, neither has he appealed the

pro-Maastricht camp in his Vosges constituency.

"I think he has taken the position for purely internal political reasons," says Mr Gilles Bragard, a textile company head and president of the Vosges employers' federation.

Mr Bragard denies that any Vosges opposition to the treaty reflects local economic difficulty and timidity in the region about opening up to international competition.

"We are beautifully placed in the Vosges to take advantage of Europe. I myself am within two hours' drive of my German, Swiss and Belgian subsidiaries," he says.

He concedes that the Vosges textile sector has lost jobs, shrinking from 20,000 to 14,000 in the past decade. If he has any reproach of EC textiles policy, it is that Brussels has not helped employers like him foot the bill - large in France - of shedding labour and so improving competitiveness.

But the Vosges shows little of the fear that "the Germans are coming" which seems to fuel the anti-Maastricht vote elsewhere in France. This is, in a way, ironic. The fact that the region has a textile sector at all is historically due to German aggression, which after 1870 pushed many industrialists out of Alsace and into the Vosges, bringing their money and technology with them.

Indeed there is some relief now that, as Mr Jacques Miller, who presides over the Vosges' economic development committee, puts it, "the Germans are coming back".

Immediately the Berlin wall fell in 1989, German investors stopped prospecting in the Vosges. Now, he says, they are back, knowing they can find in the Vosges the sort of skilled and dedicated workforce they have realised will take a generation to produce in eastern Germany.

## Europolice eager to unite against crime

By David Buchan

MAASTRICHT looks like getting the police vote. The treaty contains a precise plan to set up a Europol, creating a single market not only for criminals but also for their pursuers.

Certainly, President François Mitterrand pitched for the law-and-order vote on television last week, warning that "No to Maastricht would be a Yes to the Mafia". Since then, the Lyons-based European Council of Police Unions (ECPU), which has among its multinational members two thirds of French police inspectors, has strongly backed Maastricht as "laying the ground for police co-operation, aimed at thwarting the collaboration of criminals, which has no need to be endorsed by any referendum".

In fact, such police co-operation

between France and its EC partners is already germinating beside a cornfield in the Neuhof suburb of Strasbourg. In a building ringed by a double fence and barbed wire, some 15 police officers from seven EC countries last week started designing the skeleton of a Europol. Their report will go first to EC interior and justice ministers and then to the EC summit in December, with the aim of having Europol start business next January.

"We will not be an operational unit, a kind of Euro-FBI," stresses one of the Frenchmen in the Europol planning team. "As the Maastricht treaty says, Europol will, in its first phase, confine itself to exchanging information on drug traffickers."

But he said he would not be surprised if this remit were quickly extended to attacking the Mafia, whose activities

will be the subject of a special EC ministerial meeting on September 18.

Will Europol die if Maastricht does? Few in the Neuhof planning cell think so, because the need for the men in blue to join hands against international criminals is so evident. "Criminals have long exploited and hidden behind our frontiers. It is time for us policemen and magistrates to set aside these borders a bit and see what's going on on the other side," says the Frenchman.

A great deal of informal co-operation has grown up already among Europe's police forces, through the 1990 Schengen convention. Europol's provisional headquarters is based in Neuhof because the Schengen Information Centre (SIS) now sits there.

Opened officially last week, the SIS is an enormous Bull-Siemens computer system, ready to receive police data

from the eight Schengen signatories.

The SIS data bank will remain empty until all eight signatories - France, Germany, the Netherlands, Italy, Belgium, Luxembourg, Spain and Portugal - have ratified the convention. More than half have yet to do so. However, there are hopes this process will be complete by next year.

The UK remains averse to signing up to Schengen, as a British police member of the Europol team notes, partly because of what it will mean on the Ulster border with Ireland.

Mr Roger Boullier, secretary general of the ECPU in Lyons, hopes that eventually Maastricht will lead not only to more exchange of information among the Twelve's police forces, but to a harmonisation of the legal rules under which they have to work in pursuing criminals across each other's borders.



Isabelle Clavova, ballerina, photographed in a rehearsal room at the Paris Opera Garnier.

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and freedom of movement to the  
SURLYN\* film that packages  
her morning misadventures and the  
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## British Gas wins Indian venture

By Neil Buckley

BRITISH GAS has beaten competition from Europe and Asia to win exclusive rights from the Gas Authority of India to negotiate on establishing a \$70m (\$35.5m) joint venture to supply natural gas to Bombay.

The project will use gas from the Bombay High and other offshore fields, and involves building a gas network to 600,000 businesses and households. British Gas will have a 35 per cent stake. The deal is a boost to India's policy of encouraging joint ventures with foreign companies. For British Gas, which is being forced to cut its market share to increase competition in the UK market, the deal will help fulfil its target of improving income from its Global Gas supply business to account for 20 per cent of group earnings by the end of the decade.

## China threatens to stop buying US wheat

China yesterday threatened to stop importing US wheat if President Bush did not reverse his decision to sell fighter aircraft to Taiwan, writes Yvonne Preston in Beijing.

An official quoted by the Xinhua news agency said China had kept up imports of US wheat in the interest of maintaining and developing Sino-US relations and trade, despite several good harvests.

## Hewlett-Packard in deal with Samsung

Hewlett-Packard has expanded its alliance with Samsung Electronics of Korea with a \$50m computer workstation deal, writes Louise Kehoe in San Francisco.

Samsung will resell Hewlett-Packard workstations in South Korea under its own and Hewlett's name, as well as using them internally.

## THE FARNBOROUGH AIR SHOW

# Airbus wins \$1.1bn order

By Paul Belts, Aerospace Correspondent

AIRBUS Industrie has won an order for up to 10 of its new A340 long range wide body airliners worth about \$1.1bn from Philippine Airlines.

The contract announced yesterday at the Farnborough air show includes six firm orders and options for another four.

With large orders for new

aircraft scarce because of a slump in the civil aviation market, the Philippine deal is significant for the European aircraft manufacturing consortium of British Aerospace, Aérospatiale of France, Deutsche Aerospace of Germany and Cess of Spain.

The contract brings total firm orders for the A340-A330 family to 284 jets from 30 customers.

With its four-engined A340 and the twin-engined A330, Airbus is challenging Boeing at the top end of the airliner market traditionally dominated by the US company.

Boeing also announced a firm order at Farnborough yesterday for four of its 787 twin-engined narrow body airliners worth about \$240m from Shorouk Airlines, a joint venture charter carrier formed by

Egypt Air and Kuwait Airways.

The firm orders include one passenger and three cargo versions of the 787. The airline has also taken options on another four 787s including two passenger and two cargo aircraft.

Shorouk announced earlier this week a firm order for two Airbus A330 narrow body twin engined airliners and options for a further two aircraft.

## Kiwi fruit cartel probe in Japan

JAPAN'S Fair Trade Commission is investigating a New Zealand based company and nine local trading houses charged with forming an illegal cartel in kiwi fruit, an FTC official said. Reuter reports from Tokyo.

New Zealand Kiwifruit Marketing Board (Japan), sole importer of the fruit, said it was questioned by the FTC over the allegation on September 3, but the company denied it was involved in price fixing.

The official said the FTC had started questioning the trading companies, including Mitsubishi and C. Itoh.

The New Zealand Kiwifruit company said: "We are willing to co-operate with the FTC on the investigation and watch the developments."

Agriculture ministry data show that domestic production of kiwi fruit in 1991-92, ending March, was 45,700 tonnes, while imports were 42,700 tonnes. About 99 per cent of imports come from New Zealand. The ministry said its data showed Japan was the world's biggest kiwi fruit importer.

## Vietnam may liberalise foreign investment law

By Anthony McDermott

VIETNAM is considering liberalising its foreign investment law, according to Professor Nguyen Mai, the vice-president of the State Council for Co-operation and Investment.

He told a conference in London yesterday the changes included:

- Allowing foreign investors to lease land for up to 50 years instead of 20.

- To permit the sale of shares in some state enterprises to foreigners.

- To give preference to joint venture investments, spread around the country.

Mr Mai said he had brought to London a list of 548 projects for investors to consider. There were 416 joint-venture projects in operation at the end of August, involving capital investment of \$3.5bn, for which \$1.5bn has been raised.

The main foreign partners, Mr Mai said, came from Taiwan, Hong Kong, France, Netherlands, Japan, Britain, Australia, the Commonwealth

of Independent States, South Korea and Canada.

Of the 416 projects, 233 (with capital investment of \$1.1bn) were in industry, 18 (\$900m) in oil and gas, 41 (\$660m) in hotels and tourism, and 55 (\$160m) in services.

A report\* issued at the conference said Vietnam could become one of South-East Asia's most important tourism destinations if hotel building plans were fulfilled. It said 40 hotels had opened in Ho Chi Minh City and 40 more were to be built.

The total number of visitors to Vietnam in 1991 was about 850,000, including 300,000 from western Europe, South-East Asia, Japan, Australia and North America. The figure for tourism was 38 per cent higher than in 1990 - with indications that in 1992 the figures would grow by at least that amount again.

\*Vietnam: The Next Asian Tiger? British Consultants Bureau, 1 Westminster Palace Gardens, 1-7 Artillery Row, London SW1P 1RJ. £265.

## No substance to Mirage denial

By Robert Mauder in Paris

PERSISTENT reports that the French government has authorised "in principle" the sale of 60 Mirage 2000-5 fighter jets to Taiwan yesterday elicited only a half-hearted denial by the French Ministry of Industry and Trade.

Commenting on a report by the French news agency AFP, quoting "concordant French sources", that the green light for the \$2.8bn deal had been given to the French manufacturers, Dassault Aviation, Mr

Dominique Strauss-Kahn, the French Minister of Industry and Trade, said that the export of Mirages to Taiwan had not been "officially authorised."

"As long as a detailed dossier of the sale has not been formally submitted to the government by the industrialists concerned, we cannot make a decision," the minister said.

But he was quick to add that the government would not consider such a sale as "an aggression against China," which has registered its strong opposition to any sales of fighter-bombers

of the Mirage type to Taiwan. For good measure, Mr Strauss-Kahn stressed that the French government had given its blessing to Dassault for its efforts to sell Mirage fighter-bombers to Taiwan.

The sale of French warplanes to Taiwan has long been a subject of dispute between government departments favouring a deal, the ministries of defence, finance and industry, and the foreign ministry, which opposes it because of the effect on Franco-Chinese relations. However, the economic argu-

ments in favour of such a deal are powerful. Dassault, which has not sold a single military aircraft abroad since 1988, desperately needs export orders to boost its falling profits. Moreover, an aircraft deal with Taiwan could unlock further export orders for France.

The US proposal to sell F-16s to Taiwan could ease the Chinese pressure on France to abandon the deal. Moreover, French officials believe Taiwan may be ready to share its military aircraft market between the US and France.

## Russian helicopters may fly to Turkey's aid

Ankara is looking to Moscow for arms to fight Kurdish separatists, writes John Murray Brown



Vahit Erdem, Moscow mission

IN THE rugged mountains on the borders of Turkey, Iran and Iraq more than 100 Turkish soldiers and Kurdish guerrillas died last week in the worst clash of the eight-year separatist conflict.

With the war escalating rapidly - more than 1,000 have died so far this year - and some western countries banning arms sales to Turkey, Ankara has turned to Russia in search of weapons supplies.

The two countries are looking at a barter deal whereby Turkey would supply various goods and services in return for Russian helicopters and armoured personnel carriers.

Western defence officials say the initial decision to consider Russian equipment was for political rather than military reasons - the idea was first mooted during a meeting between President Boris Yeltsin and Prime Minister Suleyman Demirel at the Black Sea Economic Conference

in Istanbul in June.

But Turkey has increasingly identified a more immediate need to strengthen its rapid reaction capability in the Kurdish conflict.

Under a \$22m proposal, the armed forces have invited bids from western defence suppliers for 200 large combat helicopters, although budget pressures have delayed any early decision. The government procurement agency SSM also has a collaboration with FMC of the US to make armoured vehicles. This project has been plagued by disputes with the army over sub-contracts for the engine and night-vision equipment.

The latest moves suggest Turkey is reconsidering some of these long term joint manufacturing programmes, in the wake of escalation in the fighting. Earlier this year, Ankara asked companies in the helicopter tender to resubmit bids to include an off-the-shelf purchase of

up to 50 helicopters, the remainder being part of a long term co-production deal. Meanwhile the Turkish police negotiated the purchase of armoured personnel carriers from Cadillac Gage of the US, using credits from the US export import bank.

Last month Mr Vahit Erdem, head of SSM, sent a team to Moscow. Mr Ismet Sezgin, the Turkish interior minister, confirmed a commission had been set up to evaluate the MI-17 troop carrying helicopter, and the BTR-80 eight-wheeled armoured personnel carrier.

However, the Turkish army, as distinct from the police, has said it is not interested in the deal, and is said to have advised the police against acquiring the smaller MI-24 Hind-D combat helicopter which is also on offer.

The exact cost of the deal is a matter of speculation, although Turkish reports suggest the deal

could be as much as \$300m. Settlement is likely to be part of the gas protocol under which Turkey takes Russian natural gas in exchange for goods and contracting services. Turkey is initially looking to acquire 20 MI-17s at a cost of \$60m.

Turkey has reportedly been asked for assurances that the arms would not be sold to third parties. Both Turkey and Russia are concerned at the growing conflict in the Caucasus, where Turkey is anxious not to be accused of siding with the Moslem Azerbaijanis against the Christian Armenians who have historically enjoyed Russia's support.

By buying Russian Mr Demirel may also be seeking to deflect criticism of his fragile coalition government, under attack at home for failing to curb the PKK guerrillas, and internationally for the heavy-handed methods of the security forces.

Before the war with Iraq, Switzer-

land banned arms sales to Turkey because of its mistreatment of Kurds, affecting purchase of the Oerlikon gun for the armoured personnel carrier. In March, Germany suspended arms shipments after television reports claimed former East German armoured personnel carriers supplied by Bonn were being used to put down Kurdish demonstrations.

Significantly, it was the BTR-80 armoured personnel carrier which was at the centre of that dispute. The German agreement stipulated the equipment could only be used in Nato's defence. If Turkey is now to acquire the Russian BTR-80, it will be hard for the Germans to protest again, as no such restriction is likely to be written into the contract with Moscow. Turkey could then use its mixed stock of BTR-60s with impunity to put down its Kurdish rebellion.

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## NEWS: THE AMERICAS

## IMF cash resources 'facing strain'

By George Graham  
in Washington

THE International Monetary Fund's cash resources could fall to their lowest level in years if its member countries do not quickly put into effect the \$2bn (\$31.4bn) capital increase they agreed two years ago, IMF officials have warned.

Faced with heavy demands for money from new members in eastern Europe and the former Soviet Union, the IMF's available cash resources fell last year to \$2.9bn, the organisation's reserve currency unit.

The officials said their liquidity position could worsen considerably by the end of this year unless they receive the funds from the quota increase. "We do see the liquidity situation as potentially becoming quite strained," one official said.

The biggest problem for implementing the quota

increase, which would raise the IMF's capital base by 50 per cent to SDR135.2bn (£100bn), has been the reluctance of the US, the IMF's biggest member, to pass the necessary legislation for its share.

The Bush administration has now rolled the IMF quota increase into a package of aid measures for the former Soviet Union; this bill has been delayed by wrangling over aid for US inner cities, but congressional aides say they expect it to pass, probably at the end of this month.

But even US acceptance will not be enough to implement the quota increase. Under the IMF's rarely simple operating rules, the quota increase cannot come into effect until a separate amendment to the organisation's articles, providing for the suspension of voting rights for countries which do not fulfil their obligations to the IMF, has been ratified by three-fifths of the member countries possessing 85 per cent of the voting rights.

Even with the US's 18.9 per cent of voting rights, this level

will not be reached until some other substantial member countries such as Italy have ratified the amendment.

IMF officials said the Washington-based organisation's usable resources fell last year as a proportion of liquid liabilities to 82 per cent. This liquidity ratio is projected to fall to

about 50 per cent by the end of the year without the extra resources that would be brought in by the quota increase.

Members can usually pay three-quarters of their quota in their domestic currency, which for most countries is not readily usable elsewhere, so

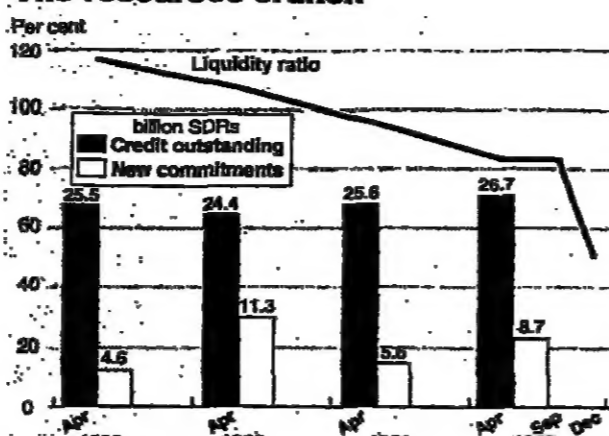
the quota increase is expected to provide nearly SDR30bn of immediately usable resources, roughly doubling the IMF's liquidity.

Even without the addition of the former communist countries, calls on the IMF's resources have increased substantially, the IMF's annual report, published yesterday, says. New commitments in the financial year ending April 30 totalled SDR8.7bn, against SDR5.6bn in the previous financial year. Arrangements with Argentina, India and Brazil accounted for most of this.

Additional members from the former communist bloc and elsewhere have brought the IMF's membership list to 169 countries. With the completion of pending applications from republics of the former Soviet Union and Yugoslavia, as well as from Micronesia and San Marino, the IMF will have 178 members.

"For the first time, the IMF can be said truly to have moved towards the goal of universal membership," an official said.

## The resources crunch



Source: IMF annual report, FY and IMF staff projections

## Fed criticised over fine-tuning of US economy



INTERNATIONAL Monetary Fund (IMF) board members have criticised the US Federal Reserve for "fine-tuning" the US economy by repeated cuts in interest rates.

George Graham reports from Washington. Some members of the IMF's executive board said the Fed was justified in lowering its federal funds rate, "given the hesitancy of the economic recovery and the slow growth of the broadly-defined money supply", but others saw risks in the cuts because inflation still seemed to be running at a rate no lower than 4 per cent even at the trough of the economic cycle.

Most directors agreed that the Fed should be ready to raise interest rates again as the recovery took hold.

The IMF's principal worry about US economic policy, expressed during consultations designed to draw attention to the international implications of policies and developments in the economies of member countries, remains the federal budget deficit.

Board members "saw a clear need to strengthen the credibility of fiscal policy," calling for spending cuts but also additional revenue measures. Many directors suggested eliminating a number of tax breaks that distort private savings, but also proposed higher excise taxes on energy use, especially on petrol.

In their scrutiny of economic policy, published in the IMF annual report yesterday, directors also issued their recommendations for other major industrial countries:

● Japan should continue efforts to reform its trade practices. They said there was scope for greater fiscal stimulus - a desire subsequently met by Japan's recent economic package - but urged caution in guiding interest rates below their already low levels.

● Germany needed to discourage unsustainable wage increases, which had contributed to the country's worsening inflation performance and justified progressive increases in interest rates.

A clearer medium-term budget strategy was needed, however, with the elimination of unproductive subsidies to coal mining and agriculture.

● France was not showing "sufficient determination" in reforming its tax structure, its labour market practices and its protectionist tendencies.

● The UK must keep as its main economic goal a rapid convergence of its inflation to that of its low-inflation partners in the European Exchange Rate Mechanism.

● The European Community did not fulfil the criteria for an optimal currency union. Some directors saw little prospect for developing a true European budget policy because of political constraints.



US President George Bush's campaigning thumbs-up at Middletown, New Jersey, did not reflect the bad news yesterday from both the nation's economy and some of the country's leading economists. Jobless claims for the week ending August 28 showed a persistent weakness in the labour market, after adjustment for several distortions in the data, reports Reuter from New York and Washington.

For the week, 394,000 initial state claims were filed, an increase of 8,000 over the previous week. But that figure did not take into account 11,587 claimants who filed under a new federal emergency programme, so claims were more than 400,000, economists said.

Meanwhile, Blue Chip Economic Indicators, a group of influential economists often cited by the White House, said the economy is deteriorating and that Mr Bush will not win re-election in November.

## Clifford to face NY BCCI trial first

By Alan Friedman in New York

A FEDERAL judge in Washington yesterday ruled that Mr Clark Clifford, former US defence secretary facing criminal charges in connection with the collapsed Bank of Credit and Commerce International (BCCI), should first stand trial in New York before facing a federal indictment in Washington.

Judge Joyce Hens Green granted a prosecution request that the Washington trial of Mr Clifford be postponed until at least next March, so that he can first be tried on the more serious New York charges of accepting bribes, conspiracy to commit fraud and misleading bank regulators.

The New York trial is expected to begin in early January. Justice Department officials have said the Washington case might then be dropped.

The Washington charges relate mainly to Mr Clifford's statements to bank regulators regarding First American

Bankshares, the Washington bank he chaired until last year and which was illegally controlled by BCCI.

The judge also decided to appoint a cardiologist to examine the 65-year-old Mr Clifford, as he and the Justice Department had requested. US prosecutors have said that, depending on the doctor's assessment, they may decide to excuse Mr Clifford a trial.

Mr Robert Altman - Mr Clifford's 45-year-old protégé and law partner, and the former president of First American - will face trial whether or not Mr Clifford is excused.

Yesterday, before the Washington hearing had begun, Mr Altman's actress wife Lynda Carter - known as the star of Wonder Woman, the television show - made a point of appearing in the front row of the courtroom to give Mr Altman a lavish hug and kiss.

Both Mr Clifford and Mr Altman have denied any wrongdoing.

## Car dealer guilty in GM fraud

By Martin Dickson in New York

MR JOHN McNamara, a car dealer on New York's Long Island, has pleaded guilty to charges that he defrauded General Motors in a \$6bn loan racket, and that he used some of the money to bribe local officials so as to win approval for real estate schemes.

The fraud has embarrassed GM's finance arm, General Motors Acceptance Corporation, which has a reputation for strict credit controls. It has led GM to shake up the subsidiary's management, and the group was forced to write off \$171m in loans.

Mr McNamara, aged 53, borrowed billions of dollars from General Motors over more than a decade to finance the purchase of cars which did not exist. He used new borrowings to pay off old debts, while siphoning off part of the money for his own \$400m business empire. He faces up to 30 years jail and \$300m in fines.

## Bending young twigs in a different way

Damian Fraser reports on a political rumpus in Mexico over how national history is being taught

SOME 20m Mexican children returned to school last week to discover that their smart new history textbooks have become the centre of a political row. The books have been roundly condemned for having betrayed Mexico's revolutionary past and crudely promoted President Carlos Salinas' technocratic view of the world.

The official rewriting of Mexican history has scandalised the leftist intelligentsia, for whom a nationalist, anti-US interpretation of the national past is central to their opposition to Mr Salinas' economic reforms. They charge (with characteristic exaggeration) that the new textbooks downplay the Mexican revolution of the early years of this century, skip over a difficult and antagonistic relationship with the US, and worst of all, portray Mr Salinas as a national hero.

The books are mandatory reading for children aged 10-12, and are treated with great sensitivity in a country where debate about history shapes, and reflects, political opinions. Ask a Mexican for his views on Hernán Cortés, the Spanish conquistador of the 16th century, Porfirio Díaz, the dictator of 1877-1911, and Emiliano Zapata, the revolutionary hero, and his attitude to modern politics becomes clear.

The row, dominating Mexican newspapers, has been exacerbated by allegations of

favouritism and sloppy research. The president's pet intellectual, Mr Hector Aguilar Camín, from the editorial group Nexos, was put in charge of the historians who wrote the text. He is claimed to be much too closely involved with the government to be critical of it. Nexos runs a television station, a monthly magazine, a publishing house, and is said to be bidding for the government newspaper, El Nacional.

The texts were written in just two months, without consulting teachers, and contain widely-publicised historical errors.

The old textbooks faithfully reflected the nationalist, inward-looking Mexico that Mr Salinas is trying to leave behind. These indignantly described how the US stole half the country's territory (Texas, California and New Mexico) in the last century; they vilified Porfirio Díaz for having sold out to foreign capital and worsened inequality of incomes; they praised such revolutionary figures as Zapata, Pancho Villa and Flores Magón; they described the period since the 1940s as one of uninterrupted progress.

The new textbooks try not to apportion blame and, as such, are meant to be less ideological. They point out that most Texans in the 1830s wanted to leave Mexico, and maintain that the northern parts of what

was then Mexico were unconnected to the rest of the country. By implication, the loss of half the territory to the US was not such a blow.

Porfirio Díaz is congratulated for having attracted foreign investment that promoted economic development, for having pacified the country and built railways - praise only partly offset by criticism. The revolutionary heroes are described briefly, even dismissively. The antagonism between the US and Mexico over the latter's nationalisation of its oil in 1938 is skipped over lightly.

The treatment of the post-1940s has created the most controversy. For the first time, the official textbook describes the massacre at Tlatelolco, where the army killed 200-300 protesters in 1968, but the text merely says the army opened fire - without saying whether it was acting on government instructions.

No mention is made of the alleged fraud widely held to have characterised the 1988 presidential election that brought Mr Salinas to power. Mr Salinas' government "has showed energy and followed a clear course", and is praised for having brought down inflation, increased growth and spent money on alleviating poverty.

Many acknowledge the new books are an improvement on the old, but they certainly reflect the Salinas view of the world. Political figures who promoted economic growth are considered more favourably than those who fought for social change.

But, if Mr Salinas hoped a bit of historical revision would legitimise his government, he may have miscalculated. The government has been so stung by the criticisms that it is already back-tracking, saying the books will be revised after consultations with teachers and parents. The presidential chancery of Mr Ernesto Zedillo, education secretary and former budget minister, are thought to have suffered.



Zapata, Cortés and Díaz: touchstones of opinion

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## NEWS: INTERNATIONAL

## Iran opens rift with Arabs over islands

By Roger Matthews, Middle East Editor

AN OPEN rift has broken out between Iran and the six Arab members of the Gulf Co-operation Council over the control of three islands near the mouth of the Gulf.

Iran repeated yesterday its claim of sovereignty over Abu Musa, together with the Great Fumb and Lesser Fumb Islands. The statement from Tehran came in response to an earlier communiqué from the GCC states (Saudi Arabia, Kuwait, United Arab Emirates, Oman, Bahrain and Qatar) deploring what they described as the "virtual annexation" by Iran of the islands.

Since 1971 Abu Musa has been jointly administered by Iran and Sharjah, part of the UAE. However, earlier this year Iran began pressing expatriates employed by the UAE to leave the islands and increasing the number of its own nationals. Last month Iran turned back a ship carrying passengers from the UAE.

Iran added yesterday that "residents of Abu Musa holding Sharjah citizenship can continue their life there with their Iranian brothers and sisters."

Diplomats were at loss to explain Iran's provocative action at a time when it was generally improving relations with the other Gulf countries, especially Saudi Arabia, and promoting a more pragmatic image around the world.

The renewed claim to Abu Musa may in part reflect Iran's eagerness to exploit the relative weakness of the Arabs in the Gulf in the wake of Iraq's defeat. It could also be designed to test the US which now dominates the region militarily.

Iran has deplored the increased US presence in the region, but will probably be looking to take political advantage of the allied air exclusion zone over southern Iraq by aiding the Shia population, Iraq's President Saddam Hussein has moved additional forces to the border to deter infiltration.

## Japanese angered over Yeltsin cancellation

By Steven Butler in Tokyo

THE Japanese government was left in shock yesterday as political leaders puzzled over the diplomatic significance of Mr Boris Yeltsin's decision to abruptly cancel his visit to Japan, scheduled for this Sunday.

Mr Kato Koichi, chief cabinet secretary, insisted that relations with Russia would not change, despite disappointment over the cancellation.

Mr Kato also said Japan would not soften its demand that Russia recog-

nise Japanese sovereignty over the four Kurile islands which Soviet forces seized at the end of the second world war. Mr Yeltsin is widely believed to have cancelled the visit because of Japan's insistence the issue be solved before it can extend significant economic aid.

Mr Yeltsin's behaviour in the affair has confirmed long-standing Japanese distrust of Russia, which has deep historical roots. The manner in which news of Mr Yeltsin's decision came to light was most embarrassing, with

senior ministers rushing to the prime minister's official residence to receive a phone call from Mr Yeltsin, only to have to wait over an hour before the call came through.

The fact that Mr Yeltsin phoned President Mr Roh Tae-woo of South Korea to tell him of the cancelled trip before informing Japan was also seen as an unsuitable diplomatic snub.

The Asahi Shimbun, the daily newspaper, quoted an unnamed Foreign Ministry official as saying: "This proves Russia's diplomacy is inept."

We should not take what the Russian government says seriously from now on."

On the other hand, there was also plenty of criticism of what appeared to be Japan's diplomatic ineptitude over the territorial issue, in which it pushed Mr Yeltsin into a corner and obtained nothing as a result.

Mr Takahiro Yokomichi, the governor of Hokkaido, Japan's northernmost island, told the Mainichi Evening News: "The Japanese government aimed at 100 per cent but actu-

ally scored zero points even though the Russian government made a special effort to improve the relationship."

Despite government assurances that nothing has changed, there is widespread fear that relations between Japan and Russia, which were only just beginning to thaw, have been put back into the freezer. There is also fear that an historic opportunity to cement Russo-Japanese relations and shore up Mr Yeltsin's presidency may have been lost.

## Australians giving up search for work

MORE unemployed

Australians are giving up the search for work. Figures released by the government yesterday show that the proportion of the work force actively seeking work fell 0.3 percentage points to 63.2 per cent in August, Emilia Tagaza writes from Canberra.

This fall pulled the unemployment rate slightly down to 10.9 per cent last month from 11 per cent in July.

This was the 12th consecutive month Australia's unemployment rate had exceeded 10 per cent.

The figures show a trend towards part-time employment.

## Nigeria's naira dips in value

The Nigerian naira has fallen in value against the dollar for the second consecutive week after months of stability following a 41 per cent devaluation last March. Reuters reports from Lagos. The dollar now sells for 19.47 naira at the Central Bank of Nigeria's foreign exchange market, compared with 18.90 last week and 18.53 two weeks ago. The rate had stayed around 18.5 naira since early April.

## Tehran to buy nuclear plant

Iran's President Akbar Hashemi Rafsanjani said yesterday Tehran had agreed to acquire a small nuclear power station from China, but no plans existed for new military contracts between the two, Reuters reports from Beijing.

## US warning to Khmer Rouge

Mr Lawrence Eagleburger, US acting secretary of state, said the international community may soon have to consider punitive sanctions if the Khmer Rouge continues to obstruct a peace settlement for Cambodia, Reuters reports.

## Rabin ready for Golan concessions to achieve peace

By Hugh Carnegie in Jerusalem

MR Yitzhak Rabin, the Israeli prime minister, yesterday said he was ready for territorial compromise in exchange for peace with Syria, the clearest indication to date that he would make significant concessions on the Golan Heights, captured from Syria in 1967 and later virtually annexed by Israel.

Mr Rabin was careful not to go beyond a general commitment, which fell far short of the complete withdrawal from the Golan demanded by Syria. He also stressed that territorial concessions would only be discussed once Syria committed itself to the principle of a full peace treaty with Israel.

"We have said that in exchange for a peace treaty which promises an end to war and opens the borders between Syria and Israel, diplomatic relations and normalisation, Israel is ready to implement [UN Resolutions] 242 and 338... This implies, of course, some sort of territorial compromise," Mr Rabin said.

Since the Washington talks broke for a 10-day recess earlier this month, Mr Rabin has spoken almost daily of what he calls "important progress" made in the last round with Damascus. Mr Shimon Peres, foreign minister, called it "nearly sensational".

As if to prepare public opin-

ion for Israeli concessions, Mr Rabin has warned that "peace for peace" would be impossible to achieve. He says he is willing to consider interim steps if a full peace treaty is not immediately available.

Israelis hopes of a breakthrough have been prompted by a document presented by Syria in Washington, which Israeli officials said expressed for the first time in writing Syria's willingness to make peace, and acknowledged Israel's security concerns.

One possibility being canvassed in Jerusalem is that Syria might accept a period of continued Israeli control in most of the Golan in exchange for a formal acknowledgment of Syria's sovereignty over the strategic range of hills. This would allow Jewish settlers on the heights - increasingly concerned for their future - to stay at least for some time.

However, Damascus has given little indication so far that it will settle for anything less than a complete return of the heights. Mr Farouk al-Shara, Syrian foreign minister, reiterated yesterday that his country would make no territorial compromise with Israel on the occupied Golan Heights.

He said the implication of some sort of territorial compromise was "completely unacceptable and contradicts the substance and the spirit of the peace talks... that aim for a full withdrawal."



Chris Patten, Hong Kong governor, waves goodbye to Vietnamese refugees after visiting their quarters at Whitehead detention centre

## Pretoria toughens line against ANC

By Patti Waldmeir in Johannesburg

THE South African government yesterday stepped up its propaganda campaign against the African National Congress in the wake of the Ciskei massacre, appealing to the United Nations to put pressure on the ANC to stop what it called "provocative actions which put at risk the lives of innocent South Africans".

The appeal came in a 21-page memorandum from Mr P. W. Botha, South Africa's foreign

minister, to Mr Boutros Boutros Ghali, UN secretary general, and the Security Council. Pretoria asked for a UN representative to visit the country urgently to mediate between the government and ANC.

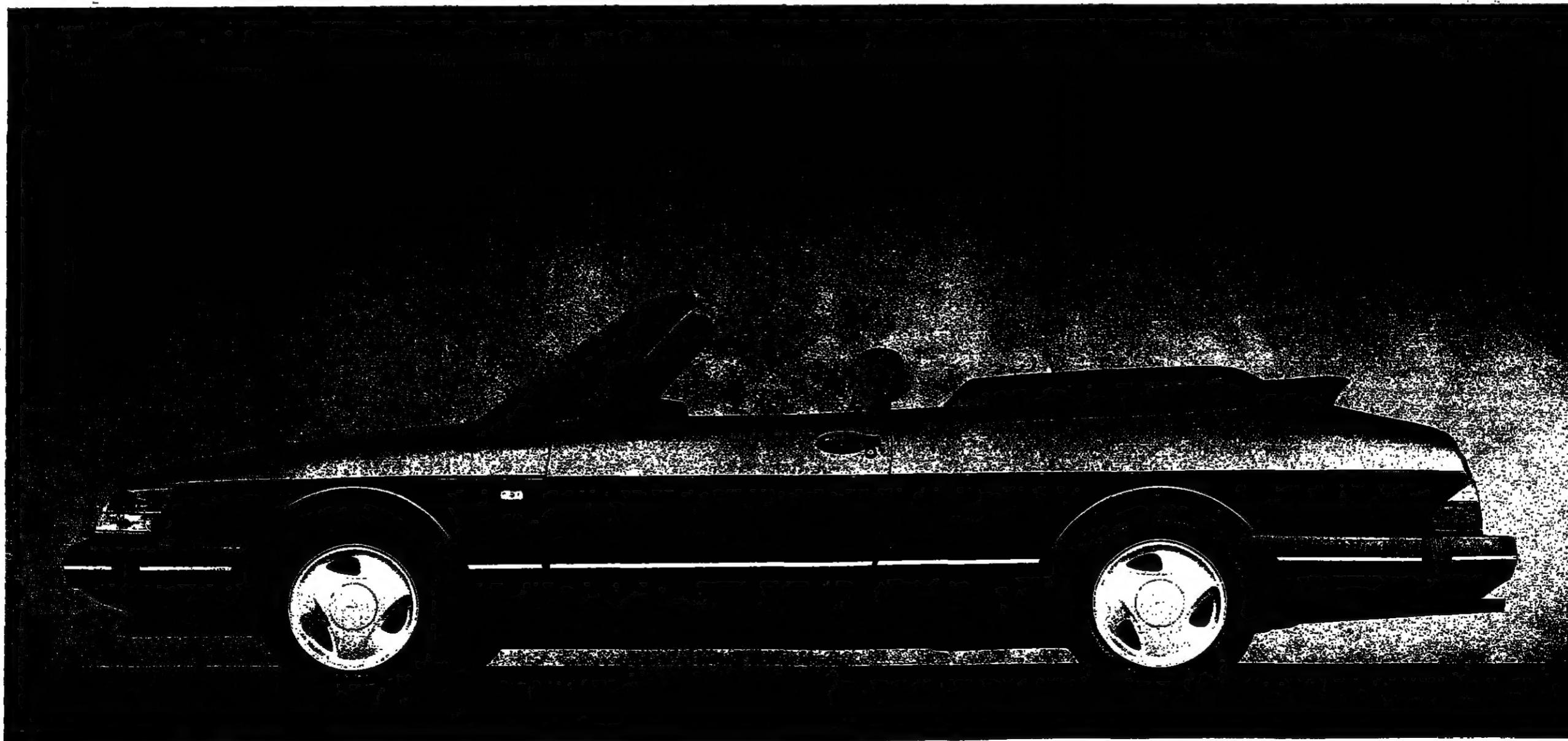
Relations between the two sides have fallen to new lows after the Ciskei shooting. Mr Botha warned the government was ready to "take steps of a coercive nature" to handle violence.

UN monitors, deployed as a result of the July visit of UN

envoy Cyrus Vance, are to arrive within days.

As Mr Botha released the memorandum to the press, the ANC's top policy-making body, the National Working Committee, met for a second day to determine its response to the Ciskei shooting, for which it holds Pretoria responsible. The committee is understood to be split between militants who believe all negotiations with the government should be abandoned, and moderates who argue that negotiation is South Africa's only chance.

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## NEWS: UK

## Hurricane may cost Lloyd's £500m

By Richard Lapper

LOSSES from Hurricane Andrew are likely to cost the Lloyd's non-marine underwriters less than £500m, a senior underwriter said yesterday.

Mr George Lloyd-Roberts, chairman of the Lloyd's non-marine underwriters association, said overall insured losses on land from the hurricane, which late last month devastated parts of Louisiana and Florida, would probably amount to between \$7bn and \$8bn. Losses offshore, such as damage to oil rigs, will also affect Lloyd's.

Although reinsurers are likely to pay \$6bn of the loss, Lloyd's underwriters are expecting to pay no more than 15 per cent of that amount, leaving them with maximum losses of \$900m.

Mr Lloyd-Roberts said Lloyd's was less exposed to Hurricane Andrew than to Hurricane Hugo, which caused more than \$5bn in insured losses in September 1989.

This was because US insurers had bought less reinsurance following rate increases. In addition the spiral reinsurance market, in which Lloyd's syndicates and companies reinsure each other's high level catastrophe exposures, had collapsed.

Lloyd's said yesterday it is hoping "loss review" investigations into syndicates which were overwhelmed by claims from Hurricane Hugo and other catastrophes between 1987 and 1990 could be ready in the next few weeks.

A loss review team investigating the losses of two of those syndicates - 316 and 833/834, which were managed by the Devonshire agency - issued an interim report last month. It said that Names - the individuals whose assets support Lloyd's underwriting - on syndicates 316 have already received cash calls amounting to £56.86m for 1989 and £14.14m for 1990, while those on syndicate 833/834 have been asked to pay £21.73m in 1989 and £11.04m in 1990.

## Major refuses to contemplate devaluation

By Philip Stephens and Emma Tucker

MR JOHN Major last night staked his government's political authority on the value of sterling with an uncompromising refusal to contemplate devaluation in the European Exchange Rate Mechanism.

In a speech billed by Downing Street as unequivocal evidence of his determination to resist the speculation on currency markets, the prime minister said that a realignment of the pound's ERM parity would be "a betrayal of our future".

Senior aides said the comments were intended to signal that even if other European currencies were devalued against the D-mark in an ERM realignment, the government would seek to keep sterling's central rate at DM2.95.

But the speech coincided with a new survey from the Confederation of British Industry which suggested there was little chance of a recovery in consumer confidence before the end of the year.

As the pound continued to hover just above its DM2.7780 floor on the foreign exchange markets, the survey pointed to a reversal during the summer of a modest improvement in the annual growth rate of retail sales earlier in the year.

Sterling closed in London at DM2.7875.

The prime minister, speaking to the Scottish CBI in Glasgow, insisted that the ERM had delivered the low inflation and the relative exchange rate stability demanded by the business community. Maintaining sterling's parity was essential to ensure Britain preserved and improved on those gains.

Mr Major said: "There is going to be no devaluation, no realignment". Mr Major, who said the defeat of inflation remained a precondition of sustained economic success, dismissed the arguments of those blaming the ERM for the depth of the recession.

Ministers, meanwhile, were predicting that the publication today of inflation figures for August would further demonstrate that price rises were being brought under control. But the CBI survey of distributive trades underlined the continuing gloom over consumer confidence.

More than two-thirds of retailers, who continue to suffer from consumers' fear of losing their jobs and high levels of household debt, said they did not expect the business situation to improve over the next three months. Wholesalers and car traders said they expected conditions to worsen.

## Green core relishes a way of life

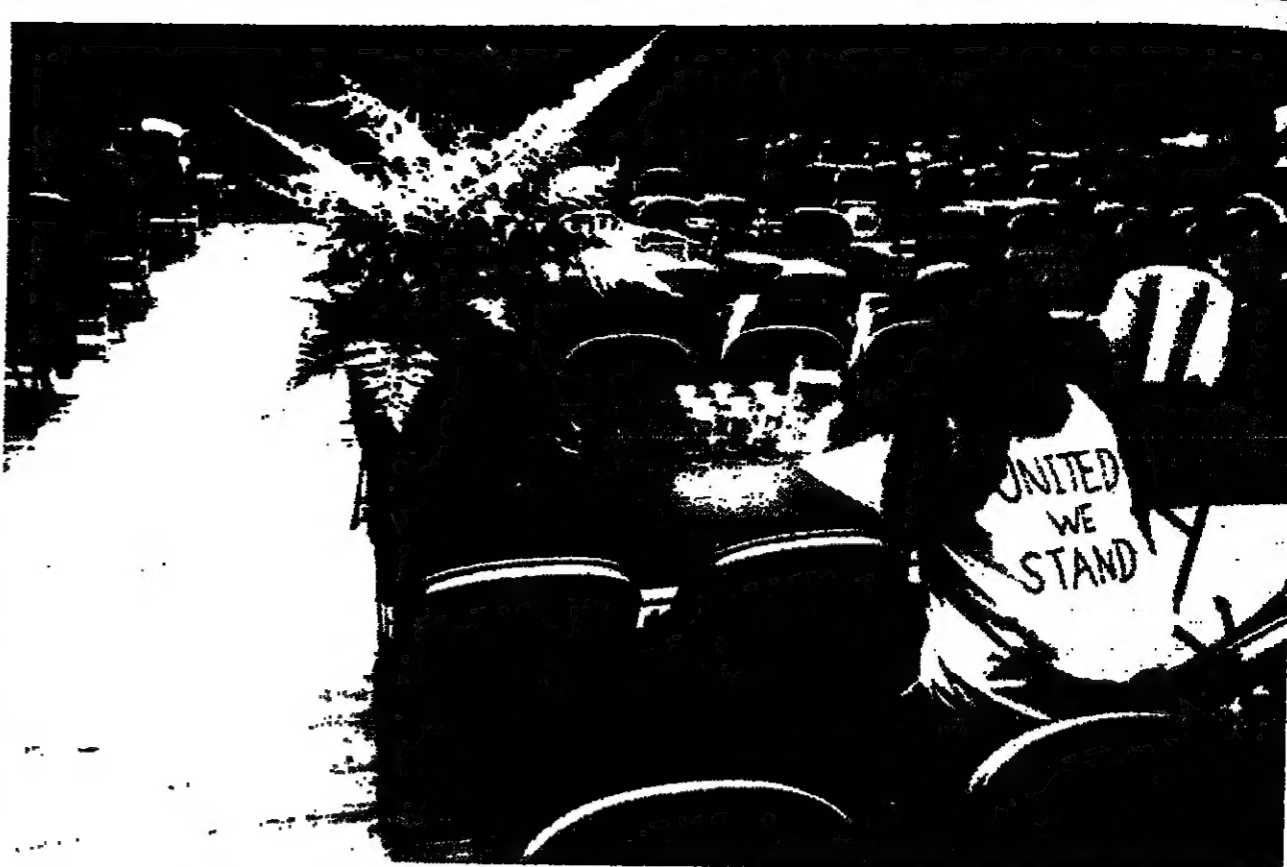
By Bronwen Maddox, Environment Correspondent

AT a turbulent point in the history of the Green Party its members are in resilient mood as they gather for the annual conference. As one of them noted: "We're not finished. Our policies are right. I am an eternal optimist."

Two weeks ago the party's chair, Ms Sara Parkin, announced she would not stand for re-election because the party had become "a hindrance to green politics." Another five of the eleven-strong executive are also standing down.

Membership, meanwhile, has been falling, although green pressure groups have a combined following of several million, the Green Party now has only 8,000 members, the same as 1987. That is a long way from its June 1990 peak of 19,000, which followed its triumph of 15 per cent of the vote in the 1989 European elections.

Many members feel betrayed by Mrs Parkin's comments. "The goings-on at the national level are not just embarrassing, they are a very damaging insult" according to the Malvern Hills branch but others were more dismissive: "We never wanted a leader in the sense of a figurehead," said Mr Frank Nickels from Warwick, who found the disruption at the top irrelevant. "I am green, I want to be greener, and if I can grow my own tobacco next



Green acres: a quiet start to the Green Party Conference at Wolverhampton Civic Hall, central England, which began yesterday

year that will be perfect".

Undeterred by its troubles, the conference plunged into a four day agenda on land distribution, the Kurds, elections in Guyana, and 25 motions on the party's internal organisation.

It remains a conference like no other. Sessions begin with a minute's silence for "attunement". Workshops end with an invitation to those who have stayed silent to share their thoughts. Babies' nappies are changed on the conference office floor, and there are no

plastic cups.

Political correctness abounds. Mr Matthew Patterson, a member of the Standing Order Committee, pleaded for an amendment to be "put into words the man in the street can understand - please ignore the sexism".

And then there is David Icke, the former BBC sports presenter and former Green Party co-chair, who caused consternation by announcing that he was "an aspect of the God-head" and will address a fringe

meeting of the Pagan Greens on Saturday morning.

"David will be talking economics this time," said Ms Jo Graham from Loughborough, one of those who invited him. "He doesn't talk on that level - of channelling energies - any more."

In her view, one shared by many, the recent fall in membership was inevitable. According to the party's head office "many people joined around 1989 thinking that we would save their local forest and then

found out we are out to ban the bomb, leave NATO and legalise cannabis."

But there is no reason for the party to shrink further, he says, nor is it broke, pointing to its bank balance of around £50,000. Many feel the membership has simply shrunk back to the pre-1989 core for whom greenness is a way of life.

"One of the Green Party's functions is to keep other political parties sane. Of course we have a future," said one of its members last night.

## Northern Ireland talks reach impasse over role for Dublin

The Democratic Unionist Party yesterday reaffirmed that it would take no further part in talks on the future of Northern Ireland until the Irish government's constitutional claim over Northern Ireland is on the negotiating table.

The DUP's withdrawal has cast a

shadow over the entire talks process.

A plenary session went ahead yesterday without the party.

The Ulster Unionist Party made it clear yesterday they would not be joining the DUP in withdrawing from the process, but would continue in discussions "with the aim of forcing the Irish government to withdraw its legal claim to the territory of our part of the United Kingdom".

A meeting between the UK and Irish governments is due to take place in London today.

The apparent impasse in the talks appears to have much to do with the

Tim Coone and Our Belfast Correspondent consider the conflicting interests at the talks on the future of Ulster

art of face-saving. Any agreement will require concessions from the four political parties and all know that a concession made too soon, or too readily, could bring a backlash from their political constituencies, not to mention the paramilitaries, and maybe the end of a political career or two.

The week after next, the talks are due to move from Stormont, the seat

of government in Northern Ireland, to Dublin. It will be a symbolic moment, and one of great sensitivity for hard-line Unionists such as the Rev Ian Paisley, the DUP leader, who have traditionally, and consistently, cold-shouldered their southern neighbours.

Determination to maintain the confidential nature of the talks has caused problems with some rank and file Unionists who feel they are

not being kept sufficiently apprised of developments.

So when the constitutional issue was placed fourth of a four-item agenda at this week's talks, the DUP apparently felt it was time to spell out more clearly its attitude to the Irish constitutional claim.

The fact that Mr Paisley and his deputy Mr Peter Robinson, left two delegates keeping their seats warm at the table, strengthens the view that the fuss may be little more than playing to the Loyalist gallery.

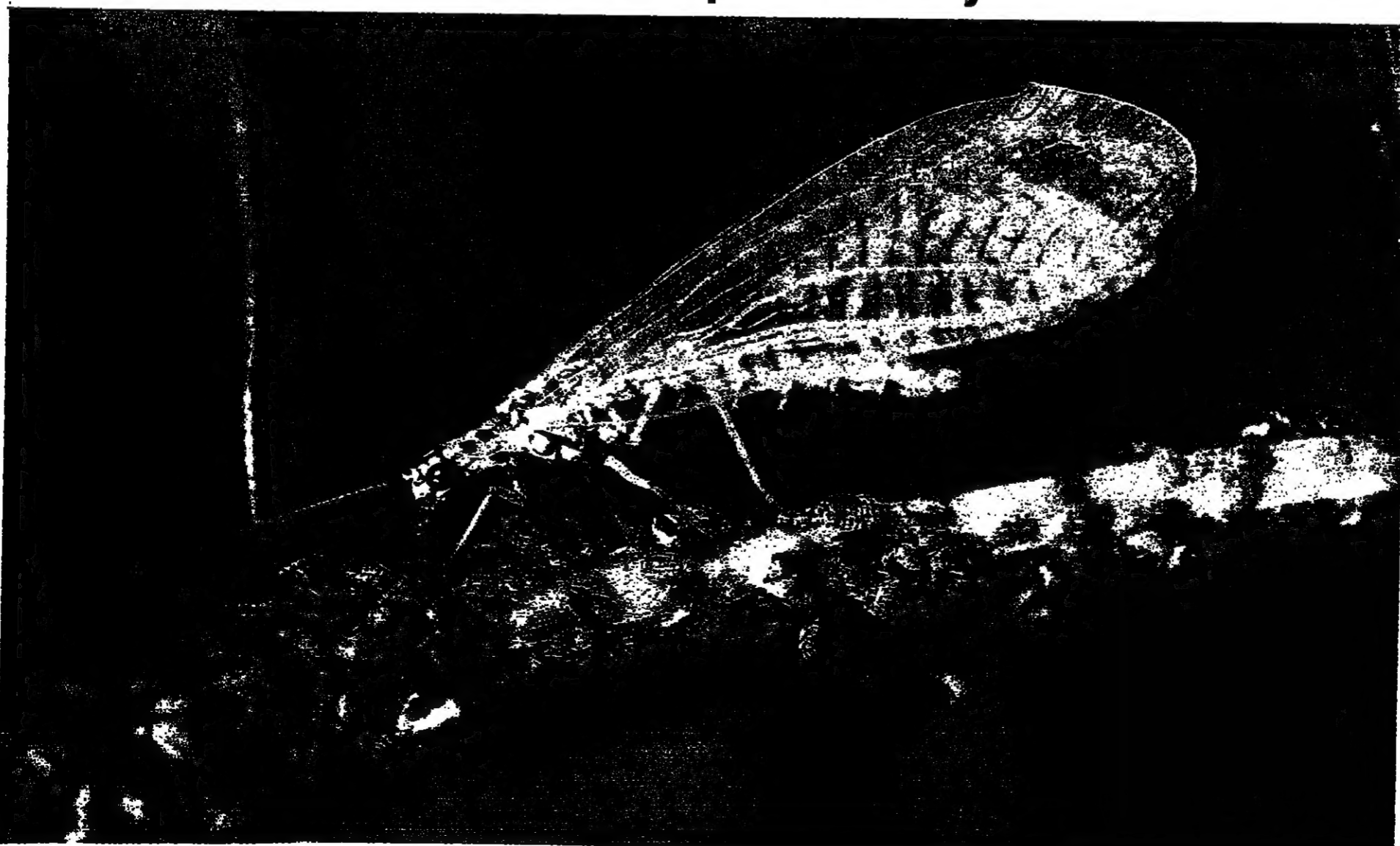
Once the item is reached on the agenda, the two leaders have hinted they will be back at the table, but

probably only if that point can be reached next week, before the talks move to Dublin.

The Irish government insists that its territorial claim is up for negotiation, but also that "nothing is agreed until everything is agreed". To make unilateral concessions to the Unionists before their arrival in Dublin, would be very difficult politically.

Few doubt that the Fianna Fail-led coalition would be able to deliver a constitutional change as long as the Unionists and the British government can make real concessions to protect the interests of the minority community in Northern Ireland.

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The lacewing is one of many useful insects that feed on pests such as aphids. We have great respect for these tiny crop protectors, but nonetheless our friends in the insect world cannot be expected to contribute more than a fraction of the crop protection work that has to be done. Not only do gardens have to be protected, so do the crops needed to feed more than five billion people. It's our job to help safeguard food production for the world's population while protecting the environment at the same time.

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## US report on BCCI to criticise Bank role

By Alan Friedman  
in New York and  
Robert Preston in London

A FORTHCOMING 800-page US Senate report on the Bank of Credit and Commerce International (BCCI) is likely to be sharply critical of the role of the Bank of England and could cause embarrassment to the UK government.

The US report on the corrupt international bank is due to be published on September 23. It is therefore likely to pre-empt the publication of a separate UK report on whether BCCI was supervised properly by the Bank of England and the British government.

This UK report, by Lord Bingham, who has recently been appointed as Master of the Rolls, is not due to be published until mid-October, according to a high-ranking public official. The Bingham report is also critical of the Bank of England.

The US report is being prepared by Senator John Kerry, the Massachusetts Democrat who since 1989 has spearheaded US Congressional investigations of BCCI.

Senator Kerry's report, which runs to 200,000 words, is likely to deal extensively with the relations between Western intelligence services and BCCI.

The Kerry report will also dwell on the behaviour of US and British bank regulators in the period leading up to July 5, 1991, when BCCI was shut down. Another section of the Kerry report will examine the role of Price Waterhouse and other former BCCI auditors.

Senator Kerry has been invited by Mr Keith Van MP to visit London and address a Commons committee on BCCI. An aide to the Senator, while declining to discuss the upcoming BCCI report, said Mr Kerry is considering the invitation.

The Senator, who first began investigating BCCI in the 1980s in connection with hearings on Mr Manuel Noriega, the former Panamanian dictator, has conducted 13 BCCI hearings in recent years.

## Hurd backs new privacy law for press

By Philip Stephens,  
Political Editor

MR DOUGLAS Hurd has joined Mr John Major in adding his voice to those in the government ready to back a new privacy law to restrict press coverage of the personal lives of the Royal Family and other public figures.

The foreign secretary's support increases the prospect that ministers will support the principle of legislation when an independent commission on press freedom chaired by Sir David Calcutt QC reports on the issue early next year.

Government officials said Mr Kenneth Clarke, who as Home Secretary would have a crucial role in any decision on statutory regulation, is among others favouring a privacy bill. However, other cabinet members think it would be impossible to draw up legislation which allowed proper scrutiny of public figures.

One suggestion being floated is that the government might make time in the parliamentary timetable for a private members' bill - in the expectation that a majority of MPs

would support it on a free vote - in which the party organisations do not dictate policy.

Mr John Major, who will spend this weekend with the Queen at Balmoral, has signalled his anger at the intense scrutiny by the tabloid press of the marriage problems of Prince Charles and Prince Andrew. Government insiders say Mr Major has discussed the stories with the Queen.

Earlier this summer Mr Major told colleagues that he believed that the current regime of self-regulation did not provide sufficient safeguards. The result was a decision to refer the issue for a second time to Sir David, with a presumption that unless the media demonstrated that the Press Complaints Council could be given teeth then MPs would legislate.

Ministers insist that no decisions will be taken until after Sir David delivers his report in January. But they believe that the latest press coverage of the private life of Mr David Mellor - the Heritage Secretary who will strengthen a tide of opinion among MPs running in favour of legislation.

## Ministers say press hounding Mellor

MR DAVID Mellor, the Heritage Secretary, was said last night to retain the "full confidence" of the prime minister in the wake of the latest newspaper allegations about his personal life, writes Philip Stephens.

Amid speculation among Tory MPs that Mr Mellor is now struggling to hold on to his seat in the cabinet, Downing Street said Mr Major had no intention of asking him to stand down.

Senior ministers voiced concern, however, about what one characterised as an attempt by sections of the media to "hound" Mr Mellor from office. Some of his colleagues are acknowledging that if the press campaign continued there would be a question mark over his future.

The prime minister's officials dismissed as "insignificant" a report in The Daily Mail that the Heritage Secretary had been provided with use of a London flat and of a car by Mr Elliott Bernard, a wealthy property developer.

A senior official said that Mr Major had been informed of the friendship and was satisfied that there had been no "impropriety".

Government officials said Mr



Under pressure: David Mellor is facing new allegations

Mellor had used the car provided by Mr Bernard during the election campaign but had made the proper declaration to electoral officers.

The report followed a series of detailed allegations in other newspapers centring on Mr

Mellor's affair earlier this year with Ms Antonia de Sancha. Friends of the Heritage Secretary, who this week said he had no intention of standing down, said the latest allegations were part of a circulation war in the tabloid press.

## Britain in brief



### Fowler raises concerns on EC identity

European Community governments should pay more attention to public concern that national identities are under threat, the chairman of the Conservative Party told members of the European Parliament.

In a speech in London to MEPs of the European People's Party, the centre-right group, Sir Norman Fowler said that people wanted "a Europe which accords with their interests and does not trample over their traditions and national identities".

Sir Norman seized on the statements this week by Mr Bryan Gould and Mr David Blunkett - leading members of the opposition Labour party - which raised the question of revaluing the pound. Labour's attitude to vital issues affecting the future of Europe was increasingly "shambolic and confused", he said.

### Virgin rail plan near collapse

Plans by Mr Richard Branson's Virgin Group to start an experimental inter-city train service in competition with British Rail appeared to be on the verge of collapse.

Mr Branson said it had emerged during talks with BR that the charges likely to be imposed by the corporation would be too high for the Virgin service to be commercially viable.

### Banks warned on shareholders

Mr Brian Pearce, chief executive of Midland Bank, has warned that banks and companies should be careful to balance the pursuit of rewards for shareholders against other goals.

In a seminar for the Chartered Institute of Bankers he said: "The relentless focus on financial performance places a high value on the pursuit of shareholder value as the dominating factor in business management." He warned that this "can bring dangers if shareholder value is over-estimated".

### Irish bank cuts workforce

Allied Irish Bank, the largest Irish banking group, has cut its UK workforce by nearly a fifth. Last year AIB's 55-branch UK operation made pre-tax losses of \$43m, since when it has been struggling hard to reduce its costs by falling back on its core activities.

Mr Miall Gallagher, AIB head of planning, said the bank was cutting 220 jobs across the board, but support and consumer services at its Ulster offices would be especially affected.

### Forces may get hovercraft

The Ministry of Defence plans to revive the use of hovercraft after abandoning them in the 1960s. It is inviting tenders for up to four diesel-engined hovercraft to start service with the Royal Marines by the end of next year.

Main UK contenders for the contract, expected to be worth about £1m, are Griffon Hovercraft, which has recently clinched export deals for Sweden and Thailand, and Singsby Aviation.

### Harrods for Singapore

Harrods, the Knightsbridge department store, is to open a "signature" shop carrying a representative range of goods in the Japanese Takashimaya department store due to open in Singapore next August.

Over the past seven years Harrods has been steadily expanding its international operations - particularly in the far east - mainly by means of joint ventures running shops-within-shops.

The 4,000 sq ft Harrods store in Singapore will be part of a new development at Ngee Ann City, Orchard Road.

## UK galleries seek winning ticket in lottery

The National Lottery starts in 1994. Antony Thorncroft reports on its impact on arts funding

THE Museums and Galleries Commission yesterday made a plea for a generous share of the income from the new National Lottery following its official launch in 1994.

A 60-page booklet, "Museums Matter", sets out a national policy for the UK's 2,000 museums, stressing their artistic and commercial importance.

The Commission is putting its case to Mr David Mellor, the Heritage Secretary, ahead of similar lobbying proposals from the Arts Council and the Sports Council.

Mr Peter Longman, director of the Commission, said that it

could sensibly spend £260m a year of the Lottery money for ten years on improving museums.

Since the total disposable income from the lottery is estimated at £500m a year the Commission is obviously setting out an optimistic negotiating position.

But Longman believes that, over a decade, the national museums need a £1bn investment to maintain their deteriorating, mainly Victorian, structures; that the underfunded local authority, university, and independent museums require a similar sum; while £500m is required to create

endowments for important private museums such as the Dulwich Art Gallery and Charleston farmhouse in Sussex, the shrine of the Bloomsbury Group.

Museums currently cost national and local government just over £400m a year in support, with two thirds of this investment going to the nineteen national museums, such as the British Museum, the National Gallery, and the Tate.

But museums attract 74m visitors a year, (including 17m overseas visitors), more than the theatre and professional football matches combined. The Museum and Galleries

Commission has grown in influence and importance in recent years.

In 1982 it had a revenue of £700,000. It now receives £2m from the government and would expect to have the task of distributing the museum world's share of the Lottery money.

The Commission pinpoints three areas for special government attention. It seeks to fix realistic components for museums in the Standard Spending Assessment figures given to local authorities.

At the moment, unlike libraries, local authorities in England and Wales do not

have to support the museums in their area.

The Commission also wants a review of the funding arrangements for university museums, which are suffering badly from the cutsbacks in university grants, and the establishment of endowments for private museums with important collections.

In the short term the Commission is seeking a £25m annual increase in the state museum purchasing grants, which have remained frozen since 1985.

This should ensure that no work of art of national importance disappears overseas.

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## THE PROPERTY MARKET

The first shots have been fired in a battle to boost the image of London Docklands, writes Vanessa Houlder

# Seconds away...

In the right hand corner stands Knockor, a man who buys his Christmas cards in the January sales and thinks Concorde should never have taken off. Facing him is Docker, who believes the Channel Tunnel is a good idea, even if it only means that you get a better croissant, and that an office is not just space, it is a "wavelength".

The battleground is London Docklands: Knockor wishes it were never built; Docker welcomes every penny spent on it. Round one got under way this week.

Knockor and Docker are the characters in a quirky advertising campaign launched this week in national newspapers aimed at beefing up the image of London Docklands. After the battering docklands has received in the past year - the collapse of Canary Wharf and thousands of square metres of office space awaiting tenants - it needs this shot in the arm.

The campaign has been greeted with as much derision as acclaim. Admirers concede that it would be hard to identify with either stereotype. If anything, Knockor, the

rational, thrifty and conservative doddler, is more in tune with recessionary Britain than his trendy, cavalier counterpart.

But D'Arcy Masius Benton & Bowles, the advertising company which created the campaign for the London Docklands Development Corporation (LDDC), thinks the advertisements will help overcome the prejudice surrounding docklands. More important, the £600,000, four-week campaign is designed to attract the attention of businesses considering relocation.

"All we can hope to do is to get people to open their minds. I think we have a neat way of pricking people's consciences," says Mr Graham Hinton, joint chief executive of DMB&B. Ironically, the company has had problems in persuading its own staff about the merits of its planned move to Canary Wharf.

The Docklands campaign is perhaps the most prominent of several new property marketing drives to be launched this autumn.

Property marketing became big business in the buoyant late-1980s. Marketing a property once involved

producing a simple brochure and placing an advertisement in a trade magazine. In the mid-1980s this gave way to lavish launches, elaborate brochures, hoardings, radio advertising and extravagant "freebies". Agents were - and sometimes still are - enticed to receptions with the promise of free whisky, shirts and televisions.

But with the industry reeling from the effects of recession, the pendulum is now swinging back to more austere ways. At a time of financial stringency, the effectiveness of marketing - and the thousands of pounds spent on launches and advertising - has rarely been under greater scrutiny.

As a result, developers are cutting back their advertising budgets and increasingly relying on agents to market their building. "In the heyday, developers would spend £1 a square foot on marketing," says Mr Charles Okin of Edward Charles, a West End property agency. "It is now down to half that."

Today, property owners are not even convinced they need to advertise to attract tenants. MEPC, for instance, argues that in the current state of the market, companies which are looking for new premises

do employ agents. Since the agent's job is to know which property is on the market, advertising is often an avoidable expense. Many other landlords believe that since they already pay agents to market their

properties, there is no reason why they should duplicate efforts by doing their own marketing.

The marketing specialists, not surprisingly, reject this viewpoint. "The developers who are stopping marketing are shooting themselves in the foot," says Mr Rob Gilbert of Gilbert Doyle, one of Europe's largest property advertising agencies.

He argues that not all potential tenants employ agents. Moreover, a landlord who relies on his own agent to market his property may receive a poor service because agents often have dozens of properties on their books - all of which must be marketed.

The core of Mr Doyle's argument is that marketing costs relatively little compared with the costs of keeping an office block empty.

Landlords, of course, are only too aware of this. But that does not diminish the challenge for the agents, marketing, public relations and advertising specialists in per-

suading property owners that they can secure tenants.

It is a sign of the times that none of these specialists can be too boastful about their efficacy. After all, skilled marketing cannot overcome deficiencies in the product or its location.

In Docklands, for instance, every advertising strategy has been tried and found to be flawed. At one end of the scale there are brash advertisements about the cheapness of premises; Wyn-Ro Investments used such tactics to market South Quay Plaza last year. At the other end of the scale is Canary Wharf, which employed senior figures from advertising and banking who still found it difficult to attract tenants.

Specialists point to some basic guidelines when marketing a property. Most fundamental is that properties need to be in their best condition when being viewed. "Inspections are like gold dust. You can't waste the opportunity,"

# The Knockor.

Always attract the right tenants by using Knockor.

Check the property before you let it. Knockor.

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CAPITAL GROWTH (%)				
Retail	Office	Industrial	All Properties	
Year to July 92	-0.1	-12.9	-3.1	-5.7
Quarter to July 92	-0.1	-3.4	-2.4	-1.8
Month of July 92	-0.1	-1.1	-0.7	-0.8

Source: Investment Property Database

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## THE GUIDE TO UK PROPERTY

Publication date - Friday 9th October 1992

Copy deadline - 30th September 1992



At the most powerful of all power lunches, the monthly gathering of the 29 Mitsubishi group heads, the fare is often humble "curry rice", a gently-spiced, dun-colored dish which is also the staple of the average office worker in a hurry.

The *Kiryokai*, as the Mitsubishi meal is called, reflects the general restraint exercised by the Japanese executive at lunchtime, when few deals are done and the emphasis is on quick and sober consumption.

Such modest daytime habits are a source of frustration for those foreign competitors who hope that luxury and decadence will undermine the Japanese work ethic.

But while there may be no wine bottles on the table at lunch, after dark the picture is very different. For Japanese business people do their best networking at night. In the evening there will be as much beer, sake and whisky as the body and expense account can bear. Relationships will be lubricated in exclusive clubs after dinner guests have been jolted in the private rooms of traditional-style restaurants. With important decisions often requiring the approval of more than one executive, the back rooms allow the company the space to seal all who must reach a consensus.

The real entertaining - not the novelty sampler presented to most visitors - tends to be aimed at serving

# Chewing over the expense account

In the latest of our series on power lunching around the world, Robert Thompson finds restraint and excess

## Menu

Eel on rice  
Picked vegetables  
Cold omelette roll  
Shredded cabbage  
Clear soup with eel liver  
Green tea

they demanded it. But they appear genuinely more content with a cup of green tea or a weak coffee.

A secretary charged with arranging the Mitsubishi lunches explains that the food is supposed to be consumed within 30 minutes, giving the executives about an hour to divide up the world's riches. But if participants are to be believed, the talk is as innocuous as the menu, for they say they are more likely to listen to a lecture or discuss the use of the Mitsubishi logo than corner markets or create cartels.

Says the secretary: "They don't like me to order food that's difficult for them to chew. They generally prefer something warm. They may have a bowl of noodles or rice with raw fish or sandwiches."

In most Japanese offices on most days, the lunch of champions comes in a lacquered box with quaint little compartments. The centerpiece of this boxed lunch, called an *obento*, could be strips of eel, sushi or a



Modest lunchtime habits give way to extravagance after dark, when the Japanese do their best networking

rissole, livened with shredded cabbage, pickled vegetables, a slice of a sweetish omelette, rice and a small pile of cold spaghetti.

If a meeting is destined to drift into lunchtime, a Tokyo *obento* specialist such as Yumeya or Hisago would be called, and the lacquered boxes delivered on the back of a motorcycle. For guests, perhaps ¥2,500 (£10) would be the appropriate amount to spend, while the

desk-bound worker ordering his or her own would probably opt for a cheaper version with more rice and less substance.

Takashi Taniguchi, manager of the Yamamaru restaurant, a favourite among business people who eat out, offers set lunches ranging from ¥1,200 to ¥3,500.

He says one consequence of economic downturn is that bills are being split, reflecting the suppo-

edly lower ceilings on expense accounts.

The National Tax Agency reported that expense account claims last year rose a record 13 per cent. The agency's report early next year will prove the best guide to the success or otherwise of the cost-cutting campaign on the feverish evening entertaining that companies feel is necessary for the cementing of long-term business relationships.



The principle that a diverse portfolio of investments is the best hedge against bad times, for companies as well as for individuals, is as old as the hills. But so, at least in the corporate world, should be the recognition that diversity can be dangerous. It is now more than a decade since a string of research studies, at the Harvard Business School and elsewhere, began to demonstrate conclusively that most diversifications fail - especially those which are not related (or only distantly so) to the company's "core" activities and skills.

Hence, in part, the drastic purge of past diversifications which most companies have carried out in the past few years. For the majority of them, diversity is now out of fashion. Focus is the new watchword. So it was quite a surprise last month to read a statement supposedly made by the chairman of W.H. Smith, the British retailing

Christopher Lorenz looks at the pros and cons of one of the most powerful corporate concepts

## Why diversity is a dirty word in some circles

group which, in the face of deep recession, has just produced a remarkable 37 per cent rise in annual profits. "Chairman attributes result to wide diversity of group activities," it read.

What the man said was rather different. But more of that later. The reality is that diversity has come close to being a dirty word within W.H. Smith. This is not surprising, since it has spent much of the past year reducing its diversity by the sale of several peripheral but problem businesses which it built up in the 1980s. The most peripheral one which still remains, its do-it-yourself joint venture with Boots (called "Do It All"), is causing considerable problems.

The "d-word" has cropped up several other times in the past week, notably in commentary on the results of Williams Holdings,

the UK engineering-to-building products combine, and IMI, the engineering group. To confuse matters further after the W.H. Smith misunderstanding, the word was used positively to explain why their 1992 profits are running better than some people expected.

With BTR, one of Britain's longest-surviving exemplars of apparent diversity, reporting yesterday, the time is ripe for clarification of what people mean by diversity these days - or, rather, what they should mean.

Back in the expansive 1960s, the word was used more or less synonymously with the term "unrelated". But then the business school boffins got to work and divided diversity into two types: that which is "related" to one's "core" business (another piece of decidedly elastic jargon), and that

which is "unrelated". W.H. Smith's diversification into recorded music retailing was related to its core book, newspaper and magazine retailing business, whereas its moves into TV and travel were more or less unrelated.

During the late 1970s and early 1980s, there was considerable progress towards understanding what, if it was to have any meaning, "relatedness" involved. It was applied to three facets of a diversification: product, technology, and geography. Studies plenty during the 1980s showed that if a company's diversification was unrelated to its existing businesses on more than one of these three counts, it was dangerously risky.

Though most conglomerates crashed or unwound themselves in

the 1980s, a handful continued to thrive, notably Hanson and BTR. The reason for this puzzled the boffins until a couple of them (plus some bright consultants) came up with the answer. It was that though the products, industries and technologies of many of the businesses owned by such conglomerates were unrelated, there was a close relatedness (or "focus") in the type of managerial "parenting" which the businesses required from group HQ.

Thus Hanson has been less diverse than it looks. It has concentrated on mature, low-technology, short-cycle businesses which are not very capital-intensive. These are most suited to its natural hands-off parenting style - which the academics call "financial control", as opposed to the "strategic control" or "strategic

planning" styles of more interventionist head offices. BTR has operated a somewhat similar approach, though for "low-technology" read "lowish".

In the last 13 months, however, both BTR and Hanson have confused their proven roles as focused corporate parents. BTR has announced the intention of encouraging what it calls "the cross-flow of knowledge" between businesses - an approach which needs more head office intervention, as well as more inter-business communication, than BTR is used to providing. In other words, it requires a pretty unrelated type of parenting.

BTR has also said it intends to trade businesses more readily than in the past - which, on several grounds, may interfere with its "business cross-flow" objective. It also means behaving more like

Hanson. Meanwhile the latter is moving in the opposite direction by declaring an intent (at least in the US) to become less of a trader, and instead expand its "core businesses" - a role at which the famous Hanson skills are, at best, improved.

By contrast with this confusion, W.H. Smith has become crystal clear about the role its head office should play and the type of businesses to which it really can add maximum value. What its chairman actually said a fortnight ago was three things: that the group had become more focused in the past year or two; that it had drawn strength from the relative "breadth" of its retailing portfolio; and that there were still plenty of scale benefits to come from sharing distribution and other systems between its businesses.

In such a context, "breadth" means something quite different from "diversity". To coin a pun, W.H. Smith may have a thing or two to teach BTR and Hanson about the dangers of trying to "do it all".

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## BUSINESSES FOR SALE

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GREEK EXPORTS S.A.ANNOUNCEMENT  
OF A PUBLIC TENDER FOR THE HIGHEST BID  
FOR THE PIRAEUS-PATRAIKI GROUP COMPANIESGREEK EXPORT S.A., with registered office in Athens  
17 Panepistimiou Street, legally represented, as liquidator in accordance with article 46a of Law 1892/79,  
as supplemented by article 24 of Law 2000/91,  
ANNOUNCES

a public tender for the highest bid with sealed, binding offers for the purchase, as whole, of the assets of the following companies:

1. PIRAEUS PATRAIKI SPINNING MILLS S.A., registered in Syros and engaged in the production of yarns (cotton and mixed polyester and cotton). It is the only factory of the P-P group which produces mixed yarns.
- It is equipped with 24 ring machines and 8,342 spindles. The factory is in the Entompeia area of Ermoupolis, Syros, on self-owned land 5,726m<sup>2</sup> in area.
2. PIRAEUS PATRAIKI NEA PERAMOS SPINNING MILL S.A., registered at Nea Peramos and engaged in producing NE36 on average combed cotton yarn and small quantities of combed NE2-40. It has 124 ring machines and 68,700 spindles.
- The factory is on the 32nd Km. of the old Athens-Corinth national road in a fenced plot of land 69,475m<sup>2</sup> in area.
3. PIRAEUS PATRAIKI SAMOS SPINNING MILL S.A., registered in Samos, produces combed cotton yarns with 40 ring machines and 24,480 spindles in a factory with an area of 12,626m<sup>2</sup> in the Vassilia district of the community of Vathy on a plot of land 184,476m<sup>2</sup> in area.
4. PIRAEUS PATRAIKI CHALKIDA WEAVING MILL S.A., registered in Chalkida producing unbleached cotton fabrics. The weaving mill is considered one of the largest in Greece in terms of looms with 182 installed Sulzer 153 looms and 86 Sulzer 114 looms. The factory (104,246m<sup>2</sup>) is in the Vromos district of Chalkida within the time plot of land 42,863m<sup>2</sup> in area.
5. PIRAEUS PATRAIKI KARPENISI SPINNING MILL S.A., registered in Karpenisi, produces cotton carded, open end yarns with 64 ring machines and 432 spindles.
6. PIRAEUS PATRAIKI COTTON MANUFACTURING CO. S.A., registered in Athens, 9 Dragazitionis Street, has the largest turnover in Greece in textiles and effects sales and purchases for account of its subsidiary companies on the Greek and foreign markets.
7. PIRAEUS PATRAIKI PATRAS SPINNING AND WEAVING MILLS S.A., registered in Patras is a vertical spinning and weaving unit of a size, technological level and expertise in specialised textile products that is unusual for Greece. Its spinning and weaving mills, dyeing and finishing, etc. installations are the main production units on a 52-acre plot of land and in buildings with a total volume of 713,000m<sup>3</sup>.
8. PIRAEUS PATRAIKI NEA IONIA SPINNING & WEAVING MILLS S.A. registered in Nea Ionia, produces cotton yarns and fabrics in a factory of 62,000m<sup>2</sup> (land plot 28,212m<sup>2</sup>) on the corner of 2 A. Panepistimiou and 6 Giliopoulou streets in Nea Ionia. The factory uses 18 PLAT 40 machines with 6,544 spindles and 56 SULZER 153 looms as well as a full equipment of production support machinery.

Further and more detailed data on the company's fixed assets (plots of land, buildings, machinery, etc.) as well as data on current or circulating assets (receivables, claims, etc.) are contained in the offering memorandum.

## TERMS OF THE TENDER

1. Interested parties are called upon to receive from the liquidator the offering memorandum of the company they are interested in and to submit a sealed, binding offer to the notary public appointed to the tender up to 30th September 1992 at 12 noon. The offer is to be submitted in person or by a legally authorised representative and the relative document of submission will be drafted.
2. The notary public appointed to accept the offers are the following:
  - a) PIRAEUS PATRAIKI SPINNING MILLS S.A.: Evangelos Georgios Solomitis, 13 Ereni, Rodi Street Clal Road, Syros, Tel. 30-281-24439, 30-281-26939.
  - b) PIRAEUS PATRAIKI NEA PERAMOS SPINNING MILL S.A.: Constantinos Anastasiou Vassiliou, 104 Aegion Street, Athens, Tel. 30-1-321-7282, 30-1-323-1162.
  - c) PIRAEUS PATRAIKI SAMOS SPINNING MILL S.A.: Ioannis Nikolaou Kiriaki, Vathy, Samos.
  - d) PIRAEUS PATRAIKI CHALKIDA WEAVING MILL S.A.: Ioannis Kiriakidis Kiriakidis, 22 E. Venetian Street, Tel. 30-221-23243.
  - e) PIRAEUS PATRAIKI KARPENISI SPINNING MILL S.A.: Irene Papadopoulou-Anastasi, Karpenisi, Tel. 30-237-82922.
  - f) PIRAEUS PATRAIKI COTTON MANUFACTURING CO. S.A.: Dimitrios Constantinos Dimitriou, 63 Academias Street, Clal Road, Tel. 30-1-363-5330, 30-1-361-9438.
  - g) PIRAEUS PATRAIKI PATRAS SPINNING & WEAVING MILLS S.A.: Prokypia Vassiliou Kiriakidis, 31 Patras & 31 Malakos Street, (1st floor), Patras, Tel. 30-1-4-477-745.
  - h) PIRAEUS PATRAIKI NEA IONIA SPINNING & WEAVING MILLS S.A.: Arsenios Dimitrios Mithakopoulos, 9 George Street, Tel. 30-1-346-4507.

The bids will be received before the above notaries on 30th September 1992 at 12:00 hours with a legal representative of the liquidating company in attendance and all those who have submitted bids within the prescribed time limit are also entitled to attend. Bids submitted beyond the prescribed time limit will not be accepted or considered.

3. The sealed, binding offers must clearly state the offered purchase price, as a whole, of the assets of the company and must be accompanied by a letter of guarantee from a bank legally operating in Greece for the amount of 250,000,000 drachmas or its equivalent in U.S. dollars for the PIRAEUS PATRAIKI COTTON MANUFACTURING CO. S.A. For the other companies, the amount is 100,000,000 drachmas separately for each. In the event of a global offer for all the companies of the group, the letter of guarantee should be for 900,000,000 drachmas.

FOR MULTIPLE OFFERS (MORE THAN ONE COMPANY OR THE ENTIRE GROUP) THE PRICE OFFERED FOR EACH COMPANY MUST BE INDICATED AND THE GUARANTEE MUST REPRESENT THE TOTAL AMOUNT OF THE GUARANTEE FOR EACH SEPARATE COMPANY.

In the event that the bidder to whom the assets for sale have been awarded should fail in his obligation to present himself, at the invitation of the liquidating company, and sign the relative contract within 300 days of being invited to do so, or within the other obligation arising from this announcement, then the deposited guarantee is forfeited in favour of the liquidating company GREEK EXPORTS S.A. to cover all expenses of any kind and time spent, as well as any actual or hypothetical loss without any obligation on the part of the liquidator to give an accounting of them, or GREEK EXPORTS S.A. having the added right to consider the forfeiture as a penalty clause, in which case upon it can retain the guarantee or collect it from the guarantee bank.

Guarantees deposited for participation in the tender are returned to the other bidders after the adjudication of the tender to the highest bidder, after the agreed purchase price has been paid and the act of settlement drafted.

4. The highest bidder is considered to be the one whose bid was evaluated by the liquidating company and approved by 51% of the creditors as being in their best interests.

5. The liquidator has no liability or obligation whatsoever towards participants in the tender, both with regard to the drafting of the evaluation report on the bids submitted to the creditors or with regard to his proposal of the highest bidder. Also, he has no liability or obligation to participants in the tender in the event of its cancellation or suspension, if the result should be deemed unfavourable to their interests by the creditors.

6. Those taking part in the tender and submitting bids do not acquire any right, demand or claim, from the present announcement and from participation in the tender, against the liquidator for any cause or reason.

7. Any changes that may arise in the current assets of the companies between the date of commencement of the liquidation and adjudication of the tender, will be reflected accordingly in the price, the value of the assets and the value of the balance sheet at the start of the liquidation. For this reason bids must clearly indicate the amount reserved for reserves and claims.

8. Transfer expenses (stamp duty, notary and mortgage fees, fees and other expenses for drawing up topographical plans according to Law 652/77, etc.) are borne by the buyer.

Offers concerning the total number of companies in the group should be submitted to the notary Mr. Dimitrios Dimitriou.

Offers concerning more than one company should be submitted to one of the notaries appointed to the companies concerned.

For more information, interested parties can apply to GREEK EXPORTS S.A., 17 Panepistimiou Street, Athens, Tel. 30-1-324-31118, Fax 30-1-323-9185 and to the INDUSTRIAL RECONSTRUCTION ORGANISATION (IRO), 234 Syngrou Ave., Athens 176 72, Tel. 30-1-971-3284, Fax 30-1-956-8786 and 30-1-965-3388.

## SOUTH AFRICA - CAPE TOWN

## FOR SALE

Air Conditioning/Refrigeration Company  
Highly regarded in its industry, includes modern 1250m<sup>2</sup> factory building incorporating six-conditioned offices and a fully equipped sheet-metal and refrigeration workshop.  
Price £500,000.00  
Box 4245  
Pretoria Times  
1 Southwark Bridge  
London SE1 9HL  
ENGLAND  
Please reply toALUMINIUM  
WINDOW/DOOR  
COMPANYProfitable niche business area,  
£1m turnover. Flexible sale  
arrangements.  
Write Box A1365, Financial Times,  
One Southwark Bridge,  
London SE1 9HL  
or fax: 0827 830745

## AUCTIONS

MINISTRY OF HEALTH, WELFARE & SOCIAL INSURANCE  
METAL WORKERS' PENSION FUND  
Head Office: 39 Filonou Street, Piraeus

## SUMMARY

Of the programme for the compulsory auction of the movable assets  
of ELEUSIS SHIPYARDS S.A., in debt to E.T.E.M.

I hereby declare that, on Wednesday 16th September, 1992, of the year nineteen hundred and ninety - two, by expedition of the Fund, there will be a sale by auction of movable of a total value of 4,145,788,000 drachmas belonging to the debtor company ELEUSIS SHIPYARDS S.A. in order to pay the Metal Workers' Pension Fund (E.T.E.M.) for contributions, dues and expenses owed to it amounting to two thousand eight hundred and sixty-five million, five hundred and sixty-four thousand, five hundred and sixteen drachmas (2,855,564,516). The effects to be auctioned are the following:

- 1). Three KRUPP travelling rail cranes 30.35 and 50 metres high worth 370,000,000 drachmas.
- 2). Five KRUPP revolving-head cranes worth 300,000,000 drachmas.
- 3). Four 36-seat MERCEDES buses with registration numbers HY-1874, HY-1828, BI-678 and AH-2939 worth 100,000,000 drachmas.
- 4). One KRUPP-ARDELT fixed-base, 20-metre revolving crane with control-cabin worth 180,000,000 drachmas.
- 5). Three MERCEDES buses with registration numbers HY-1974, HY-1829 and AH-2939 worth 60,000,000 drachmas.
- 6). One KRUPP travelling rail revolving-head crane worth 125,000,000 drachmas.
- 7). One self-floating floating dock No.2 - CHN/1972 with a lifting capacity of 33,000 dwt., in operation, worth 1,125,783,000 drachmas.
- 8). One self-floating floating dock with a lifting capacity of 20,000 dwt., 277.5 m. long, 44 metres wide and 14.8 metres deep, 1971, in operation.
- 9). Four KRUPP fixed-base revolving head cranes worth 200,000,000 drachmas.
- 10). Nine MERCEDES buses with registration numbers AH-2939, HY-1825, HY-1874, AH-2931, HY-1828, BI-6198, BI-6486, EA-9932 and ES-3778 worth 36,000,000 drachmas.
- 11). One VOLVO bus with registration number BI-5078 worth 4,000,000 drachmas.
- 12). One self-floating floating dock No.3 CHN/1972 with a lifting capacity of 33,000 dwt. worth 1,125,000,000 drachmas.

The auction will take place at Elefsina at the Eleusis Base, within the premises of the debtor company before the staff members appointed to the auction, messrs. Eleftherios Arantakidis, Maria Digelelis, Panayiota Koutalakis, Foti Dimoulas, Evangelos Pilichou - Zaharopoulos, Vasilios Tzamourakis and Alkistis Skouras-Bilakis or their legally appointed representatives, between the hours of 12 noon and 2 p.m. of the same day.

Nobody can take part in the auction unless he has deposited a drachmas guarantee in cash or in a Consignment and Loans bill.

The adjudication will be made to the highest bidder as provided by law.

The highest bidder is required to pay the amount of his bid into a public treasury office within ten (10) days. All expenses are to be borne by the highest bidder. For the rest, provisions in force concerning the collection of public revenues, and the civil code, are applicable.

Evaluations: 4,145,788,000 drachmas.  
Starting bid by the state: 2,017,894,000 drachmas.Information: Mrs. Stella Voutsina Tel: 30 1 412 9829  
Fax: 30 1 412 0795

PIRAEUS, 27/9/1992

The Expanding Director of the Metal Workers' Fund  
(Signature)  
Constantine PizoglourisTouche  
RossCoach Holiday Operators  
Impact and Med

(In Administrative Receivership)

The Joint Administrative Receivers offer for sale the business and assets of Impact Holidays Limited and Med International Limited.

- Combined turnover approximately £5 million.
- Site operations, including camping equipment at 15 sites located in France, Spain and Italy.
- Experienced office and sales teams and field support staff.
- Customer lists.
- Leasehold site in Antibes, France.
- Leasehold offices in Carlsbad and Selby.

For further details, please contact either Fraser Gray or Alan Hyslop at the Company offices. Tel: 0228 42100 or Fax: 0228 42080 or at the address below.

39 St Vincent Place, Glasgow G1 3QQ.

Tel: 041 204 2800. Fax: 041 221 1864.

Authorized by the Institute of Chartered Accountants in England and Wales to carry on investment business.

REPUBLIC OF POLAND  
MINISTRY OF PRIVATIZATION  
INVITATION TO NEGOTIATE

The Minister of Privatization, acting on behalf of the State Treasury in accordance with Article 23 of the Privatization of State-Owned Enterprises Act of July 13, 1990 (the Privatization Act), hereby issues an invitation to negotiate to all suitably qualified parties interested in the purchase of the shares of "Kraakazko" sp. z o.o. ("the Company"). This invitation is for the purchase of no less than 10% of the share capital and no more than the total share capital of the Company less the shares to be offered to the Company's employees pursuant to Article 24 of the Privatization Act. "Kraakazko" is engaged in the manufacture and sale of mirrors and mirrored products.

In accordance with Article 24 of the Privatization Act, up to 20% of the shares of the Company will be offered to the employees of the Company on a preferential basis. The present invitation to negotiate includes negotiations on the option to purchase shares offered to the employees pursuant to this article but not purchased by the employees.

An Information Memorandum is available, subject to signature of a Confidentiality Agreement, and may be obtained from Price Waterhouse - International Privatization Group (PW-IPG) at the address below. Upon receiving a written expression of interest, PW-IPG will send a Confidentiality Agreement to the interested parties. The Information Memorandum will provide the guidelines and timetable for preparing and submitting a proposal for the purchase of shares in the Company.

All written expressions of interest must be received no later than 5 pm on September 25, 1992. The Ministry of Privatization reserves the right to extend this deadline, but is under no obligation to consider expressions of interest and requests for the information Memorandum after September 25.

All expressions of interest and inquiries concerning this invitation should be addressed to:

International Privatization Group  
Price Waterhouse  
ul. Koszowa 38, pokój 713  
00-625 Warszawa,  
PolandAttn: Mr. Neil Murdoch  
Mr. John Butt  
Tel: 48-22-21-34-88  
48-2-625-0281 ext 322  
Fax: 48-22-21-34-88

For inquiries not related to the glass industry, Price Waterhouse's main office should be contacted at: ul. Bagatela 14, 00-950 Warszawa; tel (48-22) 21-54-51 or 21-83-84, or fax: 21-74-59.

## LEONARD CURTIS

BY ORDER OF THE JOINT ADMINISTRATIVE RECEIVERS  
DAVID SWADEN FCA & DEMOT J POWER FCA  
IN THE MATTER OF

## HOMESTYLE MANUFACTURING LIMITED

Offers are invited for the business and assets of the above company.

- Manufacturer of freestanding Bedroom & Lounge Furniture.
- Blue Chip customer list including Mail Order Companies.
- Fully equipped, single storey freehold factory of 85,000 sq ft.
- Annual turnover of April 1992 of £2.2 million.
- Current orders of approx. £200,000.

Enquiries should be addressed to Gas Radcliffe ob-  
Leonard Curtis & Partners, Chartered Accountants  
Pulver House, Oxford Street, Manchester, M1 5AB  
Tel: 061 236 1955 Fax: 061 228 1929

## CONTRACTS &amp; TENDERS



## Treuhandanstalt

The Treuhand Agency is offering as a whole or in part, the  
Baustoffe Porschendorf GmbH i.L.  
O-8351 Porschendorf

In the free federal state of Saxony for sale.

Purchase requires that at least  
100 jobs be secured.

The company has been manufacturing quarry tiles since 1957. The production conversion into asbestos free transite occurred in 1991.

## Employees:

Skilled workers for plant engineering and automatic installations, electricians, mechanics, technicians, motor fitters, pipe fitters, industrial foremen, administrative personnel.

## Area and Existing Buildings:

The firm operates on a total area of 103,178 m<sup>2</sup>. It is divided into an old plant and a new plant. The entire property is asbestos free. The plants are located right next to each other, are connected to energy and water supply networks and have their own railway connection.

The property is well suited for the dismantling of current production and offers extensive investment opportunities for similar businesses.

Inspection dates should be arranged through Dr. Müller-Leydig, telephone: (035028) 8362/8200, telefax: (035028) 82 20 or Prof. Wendel, telephone: (07071) 621 11, telefax: (07071) 60 01 45.

Additional information on bidding procedures can be obtained from:  
Treuhandanstalt, Direktorat U4 A,  
Telefax: 49-30/3164-1558 or 2903.Deadline for all bids:  
October 2, 1992, 12:00 a.m.  
Room 3207 at the:Invest in  
the new federal states  
of Germany.Qualified personnel  
from the region  
is prepared to join  
you in developing a  
competitive firm.Treuhandanstalt  
Direktorat U4 A  
Leipziger Straße 5-7  
O-1080 BerlinJAMES CHANDLER (LEWES) LTD  
(IN ADMINISTRATIVE RECEIVERSHIP)

The Joint Administrative Receivers offer for sale the business and assets of James Chandler (Lewes) Ltd.

The company operates as builders merchants and roofing contractors.

The principal features of the business include:

- Long established company with seven depots in Sussex, five of which are freehold.
- Emphasis towards heavy-side merchandising.
- Turnover of approximately £19m for 1991, £12m from Builders Merchants, £7m from Contracting.
- Freehold head office and vehicle workshop in Lewes.

For further information, please contact the address or telephone number below quoting the above company name.

Arthur Andersen  
PO Box 55, 1 Surrey Street,  
London, WC2R 2NT  
Tel: 071 438 3773  
Fax: 071 438 3771  
Tlx: 8812711Arthur Andersen is authorized  
by the Institute of Chartered  
Accountants in England and Wales  
to carry on investment business.ARTHUR  
ANDERSEN

## FOREST PRODUCTS IN BRAZIL

The Company owns 88700 ha of continuous land including a forest of 28600 ha. In Pinus Caribaea and Cocum planted 1977 to 1982. Yields: 13 to 22 solid m<sup>3</sup>/ha/yr. Located 250 km north of Belo Horizonte, served by asphalt roads and railways. Excellent opportunities since this is one of the last homogeneous forests not yet converted to an end products user.

Large potential in wood products, pulp, chips and charcoal, for local and export markets. Cash flow already positive due to fast thinning for sawmills, chips and charcoal.

Owners seek technical assistance to help further development. Sale or Merger considered. Write to J.F. Soublin, 13 Bd. Péreire, 75017 Paris, France.

## FOR SALE

A profitable specialist controlled  
circulation business magazine.  
This is a well established magazine  
serving a high growth market. TFO  
currently £300,000 with potential to  
increase. Up-to-date mailing list of  
9,000 used for mail marketing records.  
Principals only please to Box 98  
A4356, Financial Times, One  
Southwark Bridge, London SE1 9HLBUSINESS  
AND ASSETSOf solvent and insolvent  
companies; for sale.  
Business and Assets.  
Tel 071 262 1164 (Mon - Fri)REQUIREMENT AGENCY FOR SALE  
and subleasing of Computer Staff.  
Four S.E. Londoners Write to Box A4358  
Financial Times, One Southwark Bridge,  
London SE1 9HL.

## LEGAL NOTICES

In the Matter of The Insolvency Act 1986  
and -  
In the Matter of John Butler & Sons Limited  
(An Administrative Receivership)Registered No. 1237230  
TRADING ADDRESS & REGISTERED  
OFFICE: Wessex Coast Farm, Knecht Road,  
Hawes, West Yorkshire LS22 7JHNotice is hereby given, pursuant to Section 48 of  
the Insolvency Act, 1986 that a Meeting of the  
above Company will be held at 142/144 Mile Road,  
Mile End, London E1 4PL on Thursday 17th  
September 1992 at 10.30 a.m.A Power of Attorney is enclosed and a Creditor is  
entitled to vote only if he has sent to the Joint  
Administrative Receivers at Messrs. Bardsley  
White, 142/144 Mile Road, Mile End, East DA14  
6BZ, not later than the 15th day of September  
1992 a notice in writing of the vote that he claims  
to be due to him from the Company and the claim  
has been duly established under the provisions of  
the Insolvency Act, 1986 and that he has been  
admitted to the list of Creditors entitled to vote  
at the Meeting.Creditors whose claims are wholly secured are  
not entitled to attend, or be represented at the  
Meeting. Creditors whose claims are partially  
secured should submit the value of their security  
claim in their notices and they will only be  
admitted to vote on the Unsecured portion of their  
claims.  
Dated this 2nd day of September 1992.  
Brian Mills and Colin O'Winnings  
Joint Administrative Receivers

## NOTICE OF INTENDED DIVIDEND

In the matter of The Insolvency Act 1986  
and in the matter of -  
Atlantic Medical Products LimitedNOTICE IS HEREBY GIVEN that it is my  
intention to declare a final dividend to be  
paid to the holders of ordinary shares of the  
company on 19th October 1992.Creditors who have not yet done so are requested  
to send to the undersigned 178 Finchley Road,  
Gully, Sharnley House, 3 Woburn Street, London  
WC2R 7DB, the liquidator of the company, not  
later than the 15th day of September 1992, a  
notice in writing of the claim that he claims  
to be due to him from the Company and the claim  
has been duly established under the provisions of  
the Insolvency Act, 1986 and that he has been  
admitted to the list of Creditors entitled to vote  
at the Meeting.Dated 8 September 1992  
NOTE: This dividend is payable to the  
holder of 25 p.KEVIN FRANCIS RICHARD MAXWELL  
A meeting of creditors has been summoned by  
the Trustee for the purpose of  
1. Appointing Philip Rodney Rowe as an  
Adjudicator with Power to Receive  
Debts, either out of Court or in any  
court.  
2. To establish a creditor's committee.  
The meeting will be held at 10.30 a.m.  
on Thursday 17th September 1992.  
Time 10.30 a.m. Place: BDO Bardsley White,  
31 Old Bailey, London EC4A 3DF

## COMPANY NOTICES

## THE ROYAL BANK OF CANADA

U.S. \$300,000,000 Floating Rate  
Debenture Notes due 2005  
NOTICE IS HEREBY GIVEN that for  
the interest period commencing on  
14th September, 1992, the Notes will  
bear interest at the rate of 3.25%  
per annum. The interest payable on  
4th December, 1992 against Coupon  
No. 27 will be U.S. \$3,656,250 per U.S.  
\$1,000 nominal.Agent Bank  
ROYAL BANK OF CANADA  
EUROPE LIMITED

## ART GALLERIES

HUNTINGTON AND HUNTINGTON BROS  
Switzerland: transform Picture Quail  
Sculpture in the 20th century 14.6.  
27.1992. Only 10-17 h.MANAGEMENT  
CONSULTANCYThe FT proposes to  
publish this survey on  
October 8 1992.  
It will be of particular  
interest to the 60,000  
UK Businessmen  
involved in decision  
making for  
Management  
Consultancy, who read  
the weekday Financial  
Times - this is more  
than any other national  
daily newspaper.  
If you want to reach  
this important audience,  
callSara Mason  
Tel: 071-873 3349  
Fax: 071-873 3064Data source: BAC Businessmen  
Survey 1992

FT SURVEYS

## Gemini's exchange rate hope

The future of the Gemini Project, an international astronomical collaboration, could depend on foreign exchange rates.

Gemini aims to be the first of a new generation of large, eight-metre diameter mirror telescopes needed to take infrared astronomy into the next millennium. Two telescopes are required to scan the entire sky and the proposed sites are at Mauna Kea on Hawaii and Cerro Tololo in Chile. Both telescopes should be operational by 2000.

Half of the \$175m (\$89m) in funding for Gemini has been contributed by the US, 25 per cent by Britain and 10 per cent by Canada, leaving 10 per cent to be found. Chile has sent a letter of intent offering another 5 per cent, but the remainder still needs to be raised.

While several countries have expressed interest none has so far committed. In view of previous successful joint ventures, a formal invitation has been issued to Australia which is still deliberating over whether to accept.

Even if no new parties come forward, the project could be rescued by the weak dollar - a suggestion proposed by Lawrence Randall, Gemini's project manager. As the project is budgeted in US dollars, Canada and Britain between them would have sufficient funds to buy the remaining share simply by taking advantage of the relative strength of their currencies.

However, Geoffrey Moore, head of public relations at Britain's Science and Engineering Research Council, said: "We are confident that another country will take up the shortfall. If we did take advantage of the exchange rates we would have to bear the cost if future rates became unfavourable and we cannot take that risk."

The new telescopes will have four times more light-collecting capacity than their predecessors so that known objects can be surveyed in a quarter of the time and new, fainter objects become visible.

The viewing range has been considerably increased, extending from ultraviolet through visible to infrared light at wavelengths well beyond those used previously. Also, the mirror arrangement within the Gemini telescopes allows larger measuring instruments to be installed.

Jennie Lynch

Fujitsu, Japan's largest computer company, is set to take a spectacular lead in the race to build the world's most powerful computers.

Yesterday it announced a new supercomputer which it claims is more than 20 times faster than its nearest competitor, a staggering margin in a business where millions of dollars are spent to yield only a few percentage points' improvement in performance.

The new machine makes extensive use of superfast chips fabricated in gallium arsenide, a substantial technical first for the Japanese manufacturer. Gallium arsenide chips are faster than silicon but are expensive and difficult to make.

If the machine is as fast and as easy to operate as Fujitsu says, it will mean that for the first time the Japanese have a significant technological advantage over the American companies which have dominated the supercomputer market for the past 20 years.

It will confirm the fears of US experts who three years ago predicted that Japan would have caught up with the best US computers by 1994 and lead the market by the turn of the century.

The power of supercomputers is measured in terms of their ability to carry out arithmetical calculations - "gigaops" or billions of floating point operations a second. Fujitsu says its new machine, the VPP500, runs at a maximum of 355 gigaops. By comparison, the fastest US-built commercial supercomputer, the Cray C90, runs at only 15 gigaops.

The Japanese company believes its new technology will enable it to build a computer capable of more than a thousand billion calculations a second (teraops). Tadashi Seki-sawa, Fujitsu president, said this week: "We expect to offer 10 teraops' performance before the end of the decade."

Computing power of this magnitude is hard to appreciate. The VPP500 is aimed at the so-called computational "grand challenges" including global warming, drug development, seismic data processing, vehicle crash simulation and weather forecasting, problems which mean hours of processing time on the largest machines available today.

Seki-sawa says the new machine "will permit scientists and engineers to tackle and solve hitherto unapproachable computational problems". The company will begin shipping the new machines early next year; it believes it can sell 50 units over the next three years at between \$10m and \$50m a unit.

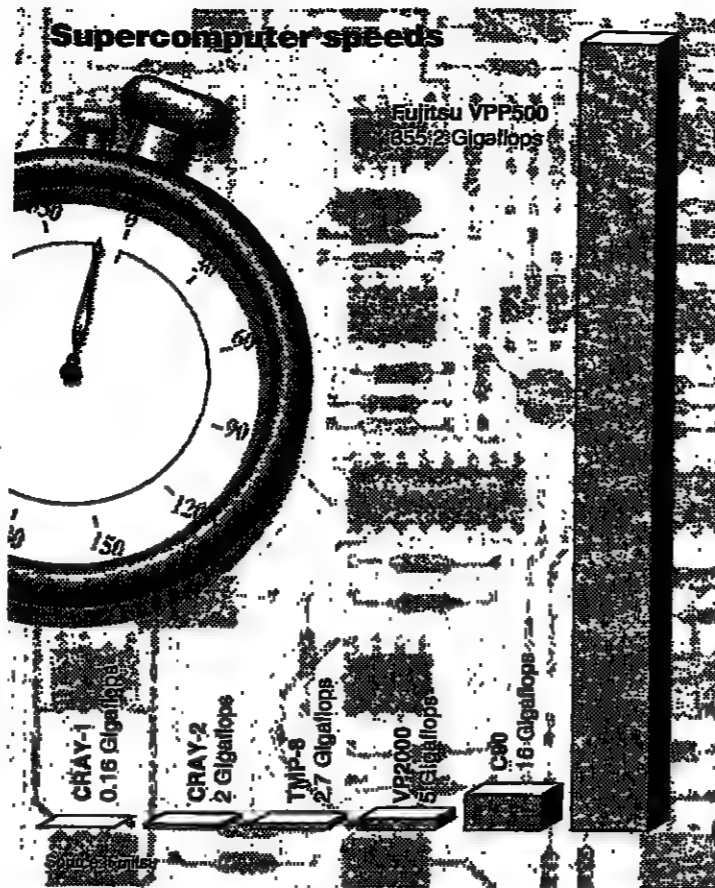
But can the VPP500 fulfil the ambitious performance claims Fujitsu is making for it? Until the first systems are installed and running it is impossible to say, but experts warn that Japanese supercomputers have a reputation for running faster on paper than in the data centre. They point out that while peak speed may be impressive, overall performance when tackling real-life problems is often at a much lower level.

Some supercomputers manage an average of only 5 per cent of their maximum speed on some problems. Cray Research has managed to hold its 63 per cent share of the world supercomputer market as much because of the quality of its software as the speed of its hardware.

Fujitsu argues the novel design of

Fujitsu's new supercomputer is capable of 350bn calculations a second, reports Alan Cane

## Now that's fast



the VPP500 guarantees sustained high-level performance. Supercomputers today typically get their speed from either vector processing, where the same mathematical operation is applied to strings of numbers, or parallel processing, where many processing units carry out calculations simultaneously.

The new Fujitsu machine, however, combines the two approaches in a technology called "vector parallel processing". The VPP500 comprises from seven to 222 vector processors arranged in parallel. Each processor, which is about the size of a small suitcase, can deliver 1.6 gigaops. The processors are linked

together by a network through which data can be squirted at 800 Mbytes a second.

The future of supercomputing is thought to lie in "massively" parallel systems where hundreds or thousands of small, simple processors work together. They are powerful but difficult to program.

The VPP500 uses a relatively small number of processors, each roughly equivalent to a conventional supercomputer. Programming is, therefore, fairly straightforward. The operating system is Fujitsu's version of Unix, UXP/VPP and the system supports Fortran 77, the standard scientific programming language.

Fujitsu is introducing its new machine to a supercomputing world in turmoil. Cray Research of the US, a vector processing specialist, is still the market leader, but it no longer sets the agenda. It has been forced to introduce a less powerful, entry-level, model to compete with "minisupercomputer" manufacturers, companies making machines which deliver much of the power of a supercomputer at a fraction of the cost.

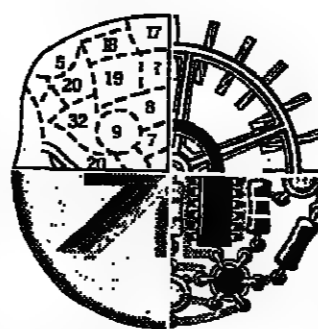
At the other end of the scale it has been forced to answer the challenge of massively parallel computer makers, among them companies as different as International Business Machines and the semiconductor manufacturer Intel. Cray is planning to launch next year its own design of massively parallel machine based on Digital Equipment's Alpha chip. The Alpha chip is the fastest available, but Digital has yet to demonstrate its ability to make the chip in quantity.

Meanwhile Seymour Cray, designer of the world's first supercomputer, has run into trouble. As the driving force behind Cray Research until he established Cray Computer Corporation in 1989, he has had to scale back plans for the construction of the Cray-3, an innovative machine based on gallium arsenide chips and novel cooling techniques. His first - and only - customer for the new computer, a US government laboratory, cancelled the order at the beginning of the year because of uncertainties over progress.

Gallium arsenide chips run at about three times the speed of their silicon equivalents but they are tricky to manufacture. Fujitsu, one of the world's most skilled semiconductor makers, has managed to fabricate gallium arsenide chips for the VPP500 with 26,000 logic elements on each chip. It cools the system with nothing more complicated than air and water.

The Japanese company has been in the supercomputer business since 1977, and today has 50 per cent of the Japanese market and 23 per cent of the world market.

## Worth Watching · Andrew Baxter



### Camera eyes up the photographer

Photography buffs can now buy a camera that senses what part of a picture the photographer's eye is focused on, writes Michael Kenward.

The new Canon EOS-5 incorporates an intelligent automatic focusing system which homes in on the area of the image where the eye is looking. A small infra-red light-emitting diode in the single-lens 35mm reflex camera illuminates the eye as it looks into the viewfinder.

Sensors in the camera analyse the pattern of reflected light and discover where the eye is looking. The camera's electronics then pick out which of five focusing points is nearest to where the eye is directed, and the lens automatically focuses on that point.

The EOS-5 sells for \$499.99 and goes on sale in the UK next month. Canon: UK, 081 773 3173.

### Computer wears dark glasses

Just as commuters habitually find something more interesting in their fellow-passengers' newspapers than their own, workers in open plan offices often find it hard to resist stealing a glance at their colleagues' computer screens.

But help is at hand for those who handle confidential or proprietary information, or workers in open plan or public areas, who cherish their privacy.

A new screen filter from 3M is claimed to be the first to combine privacy, glare reduction and radiation protection.

The 3M Privacy Plus Filter allows only an operator seated in front of a computer screen to see the information displayed. The privacy protection feature uses 3M "micro-louvre" film, containing microscopic louvres

which make the screen look dark when viewed from the side.

The filter, along with three others offering combinations of the three features, is made of glass, with a simple "squeeze" adjustment to custom-fit them to the monitor. They will be sold initially through accessory catalogues. Action Computer Supplies: UK, 0800 333333; Orion Media Marketing: UK, 081 847 4141; The Little Red Book: UK, 0800 521875.

### Aeroplanes do as they're told

Speech recognition systems are finding their way into a number of applications, but many systems still need to be trained to recognise the voice of a particular user.

The US defence contractor Teledyne Systems is investigating the feasibility of using speech to control instrumentation in the next generation of military aircraft and vehicles, and has turned to Logica of the UK for one of the first speech systems to use "speaker independent recognition".

To test the concept, Logica has developed a demonstrator to provide voice command of graphic displays and communications equipment in a simulated avionics environment. The system extracts the common features from a wide range of accents and speaking styles, and creates a statistical model for each vocabulary word. Logica: UK, 0223 56343.

### Sensor with a taste for good beer

Sensor technology is becoming increasingly important in the beverage industry, and now producers have a quick way to distinguish between the various fluids in the pipes and tanks that form an important part of their manufacturing process.

A new German opto-electronic process, being launched in the UK by Carel Components, measures the refractive index of liquids to indicate what fluid the tip is in contact with.

The product, says London-based Carel, has a specific application in CIP (clean-in process or clean in place) because it can sense the difference between beer, water and cleaning fluids. Carel Components: UK, 081 946 9882.

## PEOPLE

### Edington says can-do for British Steel

British Steel is raising the stakes in its struggle to fight back against the threat from aluminium by poaching its new technical chief, 53-year-old Jeff Edington, from Alcan Aluminium in Montreal.

British-born Edington, a career metallurgist who travels on an American passport, joined Alcan in 1983 after spells at the Battelle Memorial Institute in Ohio and Cambridge University, where he was a fellow of Darwin College. As Alcan's vice president, research and technology, Edington played a big role in developing the group's aluminium can business.

In terms of size, the world steel industry overshadows aluminium by a factor of 40. But the growth in consumption

of aluminium outstrips that of steel and Edington sees part of his job as redressing the balance.

"Almost everything I learned in aluminium can be transferred across," says Edington, who replaces the recently retired Frank Fitzgerald as British Steel's managing director, technical.

In terms of beverage cans, he says that aluminium has already won the battle in the US and is now in the process of mounting a serious assault in Britain. As British Steel's top technical man, Edington will play a big part in developing new steel products to meet the challenge.

Providing steel for the car industry is another big area where the competition between

steel and aluminium is very visible. "There is a lot of left yet in steel," says Edington, who is very conscious of the environmental challenges of providing more fuel-efficient vehicles.

Edington, who has spent over half his working life in North America, refuses to say whether he took a pay cut to return to Britain. However, he says he was educated at taxpayer's expense in Britain and feels strongly that a healthy steel industry is important if Britain's manufacturing industry is to prosper.

If the infrastructure in Britain, the US and eastern Europe really is to be rebuilt, then Edington is optimistic that steel can become a growth industry again.



### McKinnon joins Morrow, again

Sir James McKinnon, the combative boss of gas industry regulator Ofgas, seems to be making the most of his friendship with Sir Ian Morrow.

Since they met many years ago through the Scottish Institute of Chartered Accountants - of which they have both been president - Sir James has now joined two boards of which Sir Ian is chairman. Earlier this summer, McKinnon, who has said it may not be appropriate (in the light of the Monopolies and Mergers Commission's wide-ranging inquiry into British Gas) for him to see out his term to September 1994, became a non-executive direc-

tor of evening primrose oil manufacturer Scotia Holdings (previously Efamol). Now he is also joining the board of MAI, the money-broking to media conglomerate of socialist peer Lord Hollick.

Sir James, finance director of Imperial Group from 1987-1988, says he has always been "fascinated" by the money markets, and relishes the idea of getting back into the "mainstream business". The prospect of television - "from the other side" of the camera - also interests him. "I am intrigued about how you go about acquiring and keeping a franchise," MAI holds a majority share in

Meridian which has successfully bid for an ITV franchise.

While some have seen him as a possible successor to 80-year-old Sir Ian in the chair at MAI, Sir James, himself 63, vigorously denies any such ambitions. "He [Sir Ian] is incredibly energetic and capable, and looks as if he will go on for ever."

With Sir Ian playing the Liberal Democrat to Lord Hollick's Labour views, Sir James will not divulge what colour he will contribute to the kaleidoscope of political views already represented on the board of MAI. "My Ofgas job renders me apolitical," he says sagely.

### Bodies politic

Ivan Prys Edwards has been appointed chairman of Sianel Pedwar Cymru (SAC) for a period of five years from October 1. He has been chairman of the Wales Tourist Board since 1984, is president of Urdd Gobaith Cymru (Welsh League of Youth), a member of the Court of the National Eisteddfod and of the British Tourist Authority.

Peter Walters, divisional director of Carrell Technical Services, has been elected chairman of the BRITISH CONSULTANTS BUREAU. Robert Ausage, md of Banque Nationale de Paris, has become chairman of the FOREIGN BANKS AND SECURITIES HOUSES ASSOCIATION.

Robert Southgate, deputy

md of Central Broadcasting, has been appointed a member of the ARTS COUNCIL OF GREAT BRITAIN.

Melvin Coleman, formerly director of finance at the EITB, has been appointed director of resources at the PERFORMING RIGHT SOCIETY.

Nell Cowan (below) has been appointed president of the INSTITUTE OF INTERNAL



### AUDITORS UK

Victor Watson, chairman of John Waddington, has been appointed president of the BRITISH PRINTING INDUSTRIES FEDERATION.

Lord Belstead, former government minister, has been appointed chairman of the PAROLE BOARD.

John Topping becomes chief executive of the BRITISH ASSOCIATION OF LANDSCAPE INDUSTRIES next month when Bill Hickey takes on an advisory role.

Jonathan Scott, a director of EZW, has been re-appointed as chairman of the reviewing committee on the EXPORT OF WORKS OF ART.

Norman Nicholson is to be chairman of the AIR TRANSPORT USERS COMMITTEE; he succeeds John Cox in January.

John Elbourne, 47, the former group director of Legal & General who defected to TSB just over a year ago, has been made a member of the TSB group board. Elbourne is the chief operating officer of TSB's retail banking and insurance business and was made branch network director earlier this year. The appointment is the first shakeup at the top inside TSB in the wake of the appointment of Peter Ellwood as group chief executive. The changes are expected to knit TSB's Birmingham-based retail banking operations more closely to group headquarters in the City of London.

Hugh Freedberg, chief executive of HUI Samuel, has now been appointed TSB group deputy chief executive.



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# What is the FT getting up to this Weekend?

Much the same as you, no doubt.

You must be wondering how the French will vote on Maastricht – will it be “oui” or a resounding “non”? Finance and the Family looks at the consequences for savers and investors.



The balance of nature – is it in safe hands with the environmentalists, the conservationists, the wild life managers and the greens (of whatever shade)?

Michael Wigan looks at “bad guys” like Scotland’s red deer and sheep, until recently public enemy No. 1 of heather moorland, and, of course, the “good guys” charismatic species like the whale, the seal and the puffin . . . but what about us guys? Aren’t we finding it difficult playing God with nature.



Following our launch last week of the Weekend Fashion Page, this week it’s the turn of our music critics. On the first of a regular review page they go “on record” with their reviews of the week’s classical releases and the Mercury Music Prize. This year’s winners are – who else? – Primal Scream.

Dan Walker introduces us to his friends – the immaculate Parisians. For the men it’s style taken seriously but “a la carte”, whereas there is definitely a “uniform” for women, albeit by Chanel.

Phillippa Davenport looks forward to her first Michaelmas goose. The date of Michaelmas is, it seems, a moveable feast and so are Philippa’s plans for serving it. Gooseneck pudding perhaps? A sloe and apple jelly? Or a compote of prunes? It all sounds so good, Michaelmas can’t come too soon.



We join Christopher McCooey in the footsteps of the father of Japanese mountaineering, the one-eyed Rev. Walter Weston. We’re snapped by snap-happy Japanese saying “Cheezu”, share a bath



with Taniguchi-san in “hermit’s hot water” and meet a “salary man” in a snow field.

Nicholas Woodsworth bumps into some boisterous octogenarian Georgians bent on the serious business of commiserating. So what are they like when they’re celebrating? He finds out amidst the suckling pig, wild mushrooms fried with mountain herbs, hazelnut stuffings, delicate spicings, fiery sauces, cooling yoghurts, honey-dripping pastries and the endless pourings of vodka . . . is this the secret of Georgian longevity? Find out tomorrow.

Pick up your copy of Weekend FT this Saturday and join us.

## Weekend FT

## ARTS

# A land where history is controversial

Patricia Morison hits Northern Ireland's museum trail

To describe Northern Ireland as off the normal beat for arts writers is perhaps an understatement. However, an unusual promotion, a brochure entitled *Museums of Ulster: The European Connection*, sponsored by the European Arts Festival hopes to change that.

Nine museums in Ulster have collaborated in the making of the brochure which is funded by an EEC grant of £10,000. Their aim is to put their permanent collections on the tourist map. From any other region of the UK, such a modest initiative would appear worthy but dull, but because this is Northern Ireland, matters looked more promising.

For a start, given the perception of the province in the wider world, an invitation to "take a voyage through the

history of Ireland and Europe" appears more in the nature of a challenge. And then there are the interesting questions such as a voyage raises. How is history to be packaged for presentation amid a population bitterly divided by memories, grievances, prejudices, and bloodshed?

The brochure picks up the European theme of the Festival by highlighting exhibits which illustrate Ireland's cultural links to continental Europe.

A visit to Derry brought education in treacherous place names. The "London" on the road signs along the road to the city has been painted out, and the brochure referred to the new Tower Museum at Derry in County Londonderry. So in at least one official circle, it looks as though the use of Londonderry for the city has

been dropped, in deference to the nationalist view that it is an indefensible, unhistorical Anglicisation.

The Tower Museum, opening at the end of this month, surveys the history of Derry, one of the oldest cities in Ulster. It dates back to the 6th Century in the eyes of those who see its founder as St Columba. Derry's more recent history that has blackened its reputation. In the Troubles in the 1970s, one-third of Derry's city-centre was destroyed. However, since the mid-1980s there has been much rebuilding and a determined attempt, using funds from the EEC, to promote the city's heritage to attract tourism.

The plan deserves to work. Except for its bad days, mercifully rare in the past four years, Derry appears as a charming and congenial place. The old city, up high overlooking the valley of the River Foyle, has streets of well-restored Georgian town-houses, the only intact city-walls in Ireland, and an embankment arts scene which leaves Belfast looking decidedly stodgy.

Brian Lacey, director of Derry's museums, sees his task as made easier for having one world-famous event to promote: the Siege of Derry of 1688. At the siege, King James II and his Catholic army (including troops sent by Louis XIV) were frustrated by the

dogged endurance of the Protestant defenders of Derry, who for 105 days held the city for William III.

It needs tact and a certain courage to make a museum display out of an event which rates with the Battle of the Boyne as sacred moments in the annals of Protestant Ulster. Lacey himself is from the Republic, something not at all uncommon in the museum world, where cross-border links are getting closer. The majority of the inhabitants in Derry is Catholic and nationalist, so Lacey had no idea what to expect when he mounted an exhibition in 1989 devoted to the Siege.

On the day of the opening, the Provisional IRA blew up a pub by the museum carpark. It was a warning: this could have been your museum. Since then, Lacey's feeling is that the atmosphere in Derry has improved considerably. The Tower Museum itself is a curious structure, built in the 1880s as a symbol of Derry's renewal.

The finale remains to be settled. It may come up as far as the late 1970s, and include rubber bullets, posters and letters written on lavatory-paper by Bobby Sands, the republican hunger-striker who died in 1981, and smuggled out of prison. But a video made about the Troubles has already fallen foul of the politicians. Some of them urge that the subject be

dropped altogether, a solution Lacey reprehends as "dishonest and lopsided".

Even without its local sensitivities, could always be inflamed, very probably by the effigy of Lundy. A "Lundy" in Northern Ireland parlance is a traitor. According to the Protestant version, Robert Lundy was the governor who during the siege treacherously betrayed King William's trust by shunning down a pear-tree which grew beside the city wall and disappearing.

Until recently, Lundy was a literally explosive symbol of Protestant supremacy, because every December the Apprentice Boys used to stuff his effigy with fireworks and hang it from the Walker Pillar.

Down in the mean, terraced streets of the Bogside, the Catholic population returned the fire metaphorically on this occasion - by setting their chimneys alight. Nine years ago, the Provos blew up the Walker Pillar, so Lundy now meets his annual fate on the steps of the court-house.

At the charming Ulster Folk and Transport Museum at Holmewell, County Down, pains are being taken to get the denominational mix correct in reconstructing historic churches in the expanding "village" which is the centrepiece of the museum.

Museum staff talk as if simply to get Catholics and Protestants under the same roof to enjoy the same experiences, marks a victory - whether it be jewellery from the famous Armada wrecks at the Ulster Museum in Belfast or wildlife videos at the recently refurbished Fermanagh County Museum at Enniskillen.

On this simplest of criteria, museums hardly need to tackle difficult subjects. Their justification for seeking larger grants from local authorities, central government, and the EEC is their contribution to "Education for Mutual Understanding", or Emu.

At Down County Museum in Downpatrick, staff regularly teach children from Protestant and Catholic schools, folk traditions, such as the rituals for St Brigid's Day. On March 17, St Patrick's Day, a strange medley of events, from pipe bands to tractor clubs, bring over 3,000 visitors to the museum, a stone's throw from the legendary burial place of the saint.

Director Brian Turner demurred at my suggestion that he was bringing the two communities together. For him there is just the one community, and no reason whatsoever why it should not take pride in the mysterious, but mercifully ecumenical, figure of St Patrick, "one of the few things in Northern Ireland which is a world attraction."

In all these museums, one senses a particularly strong emphasis on reaching out to children. In 1981, a survey conducted in Northern Ireland on public attitudes towards museums showed that four in 10 adults said they never went and "most of the remainder" visited only once every two or three years. Protestants went more than Catholics.

However, the survey also showed that Protestants and Catholics alike see museums as a vital resource for preserving the province's history and cultural traditions, and that they consider museums give an unbiased presentation of history. In terms of Emu, then, school outings seem to be the crux of the relationship between museums and their public. On the other hand, time alone will tell whether taking children to museums has any lasting impact on the social stereotypes, incomprehension, and hatred.

Meanwhile, at the Ulster Museum in Belfast, an astonishingly profitable exhibition bought in from the US has pulled in more than 150,000 visitors this summer, mostly children, to gawp at lunging, roaring dinosaurs.

Director John Nolan's gamble has paid off and this expensive show have wiped out seven years of accumulated debt. He answers critics by pointing out that this blockbuster also plays its part in contributing to Emu by attracting so many people, often first-time callers, to the museum.

The problem is the pressure on space which means masterpieces of the museum's fine art collection, such as Turner's

*The Origin of Christianity*, are put in store. It happens quite often, and there is pressure for a separate art gallery to be built in Belfast. This month, the Museum offers compensation of its own drawings and watercolours, previously seen in the US, and Sir James Lavery's bequest of his paintings goes on show in November.

But for the genuinely curious visitor from abroad, even dinosaurs make their point about life in Northern Ireland. On a damp August morning, there was not a soldier to be seen in the streets as queues waited for the museum to open. Inside, the dinosaurs' lair was a pandemonium of children screaming with delight.

Every day people had been asking me, "So how do you find the place?" Right then, but not for the only time, my answer would have been that Northern Ireland can seem just like anywhere else.

*Museums of Ulster: The European Connection* available from the Northern Ireland Tourist Board (071) 493 0601



Adrian Noble's production of Sophocles' *Theban* plays in the new version by Timberlake Wertenbaker, has moved from The Swan Theatre, Stratford-upon-Avon to the Barbican, London, where it opened last night. Gerard Murphy plays Oedipus, Joanne Pearce, Antigone, and John Shrapnel, Creon

## British Youth Opera

### Così fan tutte

Richard Fairman

WITH a fund-raising gala at Covent Garden and an Arts Council Grant to its name, British Youth Opera is making notable headway in funding a fledgling opera company. Its aim is to give singers not far up the professional ladder an opportunity to climb a few rungs further in fully-staged productions.

This is a trickier proposition than it may seem. The music colleges already put on opera productions open to the public. Protected from the need to fill large theatres on a commercial basis, they are able to give often outstanding performances of rarely-seen operas, as the Royal Northern College did recently with Vaughan Williams's *The Pilgrim's Progress* and the Guildhall School of Music with Prokofiev's *The Duenna*.

British Youth Opera's two new productions are not on that level. In order to lure an audience to Sadler's Wells, the company has chosen Mozart's *Così fan tutte* and Bizet's  *Carmen*.

The singers include names already noted at the music colleges, but asked to perform in popular repertoire works such as these, they face difficult challenges, which show what a gulf remains before students reach professional standards. I saw the production of *Così fan tutte* on Wednesday. The

ambitions of the company's undertaking, as in everything it does, were laudable: the version of the score was more complete than usual and an experienced production team had been assembled, an essential feature if the young singers are to gain the maximum benefit from participation. Unfortunately, Jamie Hayes's setting of the opera as *Così-on-Sea*, taking the sisters on holiday to a down-market British seaside resort at the height of what seemed to be Falklands fever, failed to make anything of its updating of the story. The English translation, credited as the old Ruth and Thomas Martin version but horribly tarted up, had every cliché in the book.

The strength of the evening lay entirely with the young performers. Susannah Glanville was a radiant Floridig and Nathan Berg a vocally resonant Guglielmo, both singers of notable promise.

Emma Selway's unexaggerated Dorabella and Andrew Burden's sure Ferrando made an able second couple. Liza Pulman and John Neale judged well the character roles of Desdemona and Don Alfonso. The talent is there and British Youth Opera has assembled some of the best.

Sadler's Wells season lasts until Saturday. Box Office (071) 278 8916



An Ulster harbour scene at the turn of the century; Killyleagh, Co Down (photograph in the Down County Museum)

HERE is no recession in Birmingham, or at least not if you judge by the splendidly refurbished Old Rep Theatre.

True, Wednesday was a gala evening, yet here was an occasion where one felt embarrassed not to be in a dinner jacket. Ladies wore diamonds, officers wore uniforms. By contrast, London looks drab.

The play was appropriate, too: a revival of Terence Rattigan's *While the Sun Shines*. The piece ran for over 1,000 performances in the West End starting on Christmas Eve 1943, and starring such names as Michael Wilding, Ronald Squire and Brenda Bruce. It has not been much seen since.

Rattigan called it a light comedy, which is what it is, bordering on farce. It lacks the pathos and excitement of another of his wartime plays, *Flare Path*, which was revived at the King's Head in Islington a couple of years ago. It now seems over-long

and a trifle slight, but it is wonderful to have the chance to catch up with it.

Practically all the characters are titled, whether by hereditary peerage, military rank or both, for this is the war where the aristocracy does its bit but is not always promoted. The Earl of Harpenden cannot rise above the rank of a lowly naval rating because he cannot satisfy the Admiralty that he knows how many tuppenny-half-penny stamps can be bought for half-a-crown.

Still, he lives in the Albany off Piccadilly, where his family has had chambers for over a century, and has a man-servant loosely modelled on Jeeves.

There is an American airman and a French lieutenant, both of whom fall for the same girl, daughter of the

Duke of Ayr and Stirling, who is already betrothed to Harpenden. Then there is Mabel Crum, the woman who is universally generous with her favours and remains a thoroughly good sort throughout.

The mood is nostalgic. "Run Rabbit Run" and "It's a Long Way to Tipperary" are played on the piano before the start and the audience wants to sing along. The theatre is dotted with ARP wardens warning what to do if there is an air raid. Wartime posters are spread around the foyer.

In the play itself, the main action is the competition for the girl, Lady Elizabeth Randall, by the American and the Frenchman. Harpenden, as a true reserved Englishman, does not fight as hard as he might. Anyway, there is always Mabel Crum in the background to fall back on. Those

were the days when £2m, Harpenden's income from his London properties, translated into \$2m. On his country estates, of course, he always made a loss.

The humor is pretty straightforward: jokes about the American being astonished to meet an English earl and the socialist Frenchman believing the English aristocracy is doomed.

Harpenden curiously takes the New Statesman and expects to lose his wealth to "Mr Chancellor" when the war is over. It is all very good-natured. As the title suggests, there might be worse things to happen to English life than war.

The pleasure of such an innocent play is in the performances and the craftsmanship. Neil Foster, who has founded the new Birmingham Stage

Company, plays Harpenden with much more versatility than one has any right to expect from a straight male lead. Lucy Scott as Lady Elizabeth looks as attractive as she possibly can be in military uniform.

Tastes change. In 1992 I think it might have been funnier if the Duke of Ayr and Stirling (Graham Clark) had not spoken French in such a parody of an English accent and if the French Lieutenant (Michael Goron) had been allowed more natural Gallic charm and looked less like a frog. Yet the Birmingham audience loved it just the way it was.

Direction is by Granville Saxton and the new company will play at the Old Rep for 20 weeks a year. If the city can support it, this is a marvellous development.

Malcolm Rutherford

At the Old Rep, Birmingham, (021) 236 2992, until October 3

## While the Sun Shines

### INTERNATIONAL ARTS GUIDE

After a long summer break, the performing arts in Paris finally come back to life next week with the start of the wide-ranging Festival d'Automne. The opening production is Choeur's *Cherry Orchard*, directed by Stéphane de Gromschewitz at the Théâtre de la Ville (Sep 18-20). Canadian director Robert Lepage is represented by a string of productions in October and November, including three Shakespeare plays at the Centre Pompidou (Oct 15-26). At Bobigny, André Engel directs *Tales from the Vienna Woods*, a 1931 play by German dramatist Odon von Horvath (Sep 29-Nov 22). The dance programme includes visits from Spanish contemporary dance group IO & IO Danza (Nov 5-8), Merce Cunningham Dance Company (Nov 17-21) and the Centre Chorégraphique National de Montpellier with works by Trisha Brown and Dominique Bagouet (Nov 26-28).

Robert Wilson fans will be rewarded by two English-language productions - the Gertrude Stein theatre work *Doctor Faustus Lights the Lights* (Oct 22-31), and the 1978 Philip Glass music-theatre marathon *Einstein on the Beach*, which winds up a world tour at Bobigny (Dec 11-21).

The music programme focuses on contemporary composers: Emmanuel Nunes, Heinz Holliger, Iannis Xenakis and Luciano Berio each have a programme devoted to their music. Other events include a show by Mozambique zylophone group Chopi Tumbila (Oct 7-11) and a Meredith Monk programme (Nov 10-15). The festival runs till the end of December. Full details from Festival d'Automne à Paris, 158 rue de Rivoli, 75001 Paris, tel 4285 1227.

Admirers of recalcitrant piano legend Arturo Benedetti Michelangeli will be pleased to know that he has been lured back into the concert hall for two evenings with the Munich Philharmonic later this month. The orchestra's 80-year-old music director Sergiu Celibidache is one of a handful of conductors Michelangeli is prepared to work with; they join forces in Schumann's *Piano Concerto* on September 25 and 26 at Gastei (48098 614).

#### EXHIBITIONS GUIDE

AMSTERDAM  
Stedelijk Museum Peter Halley:

recent work. Ends Nov 1. Daily  
Van Gogh Museum Felix Vallotton (1865-1925): retrospective of the Swiss Post-Impressionist painter who joined the Nazis. Ends Nov 1. Daily  
Rijksmuseum Drawings from the Age of Bruegel: the Frits Lugt Collection. Ends Nov 8. Closed Mon  
CLOUËNE  
Wallraf-Richartz-Museum From Bruegel to Rubens: the Golden Century of Flemish Painting. An exhibition of 150 paintings, 50 drawings and 120 graphic works from the years 1550 to 1650, by Van Dyck, Jordaens, Rubens and many others. Ends Nov 22  
DRESDEN  
Albertinum Fritz Winter (1905-78): paintings and drawings by a member of the founder generation of the Bauhaus, whose abstract work led to a Nazi ban on his paintings in 1937. Ends Nov 1. Also August Kotschke (1836-1910): a master of photography in Dresden. A collection of 80 photos capturing late 19th century life around Dresden. Ends Nov 1. Closed Mon  
HYGIENE-MUSEUM The Elbe - A Course of Life: 800 paintings, objects and documents offering a pictorial history of the river and its surroundings from its mountain source in Central Europe to its mouth at the North Sea near Hamburg. Ends Sep 20  
ESSEN  
Folkwang-Museum Edward Hopper: paintings and drawings

by the early 20th century realist painter of urban America, set alongside 100 photographs drawing inspiration from the same source. Ends Sep 27. Closed Mon  
Villa Hügel London: World City 1800-1840. More than 700 objects reflecting London's wealth, dynamism and commercial strength in the era after the Napoleonic wars. Ends Nov 7. Daily  
GENEVA  
Musée Barber-Mueller Art of Benin: 20 pieces of bronze and ivory. Ends Oct 15. Also Femme Nue, Femme Noire: a selection of African sculptures of women. Ends Oct 13. Daily (Tue Jean-Claude 10, tel 312 0270)  
Bordeaux d'Art et d'Histoire Drawings by Liotard (1702-89). Ends Sep 20. Closed Mon  
Cabinet des Estampes Dali - true or fake. Ends Oct 4. Closed Mon  
Pétt Patella Louis Valtat and the Fauves. Ends Oct 30. Closed Mon  
LONDON  
Courtauld Institute Kokoschka: works on paper from the Prince's Gate Collection, including drawings and watercolours, illustrated books and selections from portfolios of his drypoints and lithographs, ranging from an illustrated fairy tale of 1908 to the prints inspired by Greece and Apollonia in the 1930s. Ends Oct 28. Daily  
Institute of Contemporary Arts Jean Nouvel: a series of multi-media installations illustrate the work of the French

post-modern architect. Ends Oct 25. Daily  
Barbican John Heartfield: first major retrospective in Britain of the father of photomontage. Ends Oct 18. Daily  
Tate Gallery The Painted Nude. Ends Dec 27. Also George Baselitz (b1938): prints 1964-80. Ends Nov 1. Daily  
Accademia Biennale FIAR International Prize Exhibition: paintings by young artists, including the British first prizewinner Calum Innes. Ends Sep 20. Daily  
National Gallery Manet: The Execution of Maximilian. Ends Sep 27. Daily  
Imperial War Museum Wyndham Lewis (1894-1957): Art and War. Ends Oct 11  
LYON  
Musée des Beaux-Arts Picasso and the Three-Cornered Hat: the original designs for the decor and costumes of Manuel de Falla's ballet. Closed Mon and Tues  
MADRID  
Centro de Arte Reina Sofia An exhibition of 400 of the museum's most outstanding paintings, including Guernica. Closed Tues  
NEW YORK  
Metropolitan Museum of Art René Magritte: 152 works by the Belgian surrealist, including paintings, drawings, sculpture and painted bottles. Ends Nov 22. Also Art of Islamic Spain. Ends Sep 27. Closed Mon  
Whitney Museum of American Art Figurative Works from the Permanent Collection: a survey

of the various approaches 20th century American figurative artists have taken from the turn-of-the-century Impressionist scenes of Central Park by Maurice Prendergast to John Currin's *Skinny Woman* of 1992. Ends Nov 29. Also Homecoming: William H Johnson and Afro-America 1938-46. Ends Oct 25. Closed Mon  
PARIS  
Espace Electra The Meeting of Two Worlds through the Eyes of Haitian Painters: with exuberance of colours and charm of naivety, Haitian artists tell the tragic story of their island. Ends Oct 17. Closed Mon (6 rue Racamier)  
Père de Bagatelle Henry Moore: 27 large bronze sculptures. Ends Oct 4 (Bois de Boulogne)  
Centre Georges Pompidou Manifeste: 7000 square metres given over to a multi-faceted exhibition covering the past 30 years of creativity in visual arts, video, cinema, architecture and design. Ends Nov 9. Closed Tues  
STUTTGART  
Galerie der Stadt Beinhilich and Partners: Buildings 1952-92. A retrospective of the major projects undertaken by the German architect Günter Behnisch, including the Munich Olympic Stadium, the federal parliament building in Bonn, the German Postal Museum in Frankfurt and other examples which illustrate his mastery of modern practicality. Ends Nov 8. Closed Mon  
TILBURG  
De Pont De Opening: Inaugural

exhibition of the De Pont Foundation for Contemporary Art. Based in a former wool spinning mill at Wilhelminalpark 1, close to the city centre, the foundation was set up in 1988 as part of the legacy of J H de Pont, a Tilburg lawyer who thrived as an entrepreneur before dying in 1987.

The opening exhibition includes 100 works by 20 artists from the Netherlands and abroad, several of whom have conceived large-scale installations specially intended for particular parts of the building. Among artists represented are Richard Long, Rosemarie Trockel, Anish Kapoor, Robert Rymen and Richard Serra. Ends Jan 31. Closed Mon  
VIENNA  
Albertina The English School: 138 drawings and watercolours by British artists, selected from the Albertina's collection. The exhibition covers the past three centuries, ranging from late 18th century painters such as Richard Cosway, Benjamin West and Francis Wheatley to Graham Sutherland and Henry Moore. Ends Nov 8. Daily  
ZÜRICH  
Kunsthaus Gustav Klimt (1862-1918): a major retrospective of the Austrian Jugendstil designer and decorator, with 50 paintings and 130 drawings. Ends Dec 13. Also Anselm Stalder (b1956): exhibition of paintings and sculptures by the Basle artist. Ends Sep 27. Closed Mon

## FINANCIAL TIMES

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Friday September 11 1992

## Hard choices for Germany

CHANCELLOR Helmut Kohl did not promise that German unity would be a bed of roses. Two years ago, he warned that the eastern and western halves of the country faced a "fatal, if not catastrophic" risk of being divided by the economic pressures of unity. The president of that warning now looks remarkable - as does the chancellor's intransigence in not taking better heed of it. Mr Kohl's greatest mistake was in telling Germans in the east that the economic benefits of unification would become apparent relatively quickly, and in promising Germans in the west that the benefits would be generated without additional taxes. Neither forecast proved correct.

To make unification a success, Germany will need to maintain public sector transfers from west to east at at least DM100bn (€35.8bn) a year until the end of the decade. The monetary strains caused by high German public sector deficits are exporting deflation throughout Europe, and are now raising the risk of recession at home too. To prevent further damage, Mr Kohl has no choice but to organise a sounder method for financing recovery. The "solidarity pact" he is trying to negotiate with industry, trade unions and the opposition Social Democrats is a worthwhile effort to spread the burdens. All participants, however, face some hard choices. This time, they must not be shirked.

First, significant reductions in the central government budget deficit during the next few years will not be possible without specific measures to raise extra revenues. Mr Theo Waigel, the finance minister, is relying above all on spending cuts to reduce the deficit by 1995. But, in a bleaker economic climate, the assumptions underpinning these plans could soon look unrealistic.

Mr Waigel may be able to avoid an across-the-board tax increase of the sort temporarily put into effect in 1991-92. But he urgently needs to take charge of a capricious market about alternative funding sources. A plan for a compulsory bond to tap the better-off,

launched by the subtle mind of Mr Wolfgang Schäuble, the conservative parliamentary floor leader, has been brushed aside for the moment, but Mr Waigel may have to give it serious thought.

Second, wage restraint in both east and west Germany is now high on the agenda. Excessive wage increases in east Germany have been a prime factor spurring high unemployment there. Trade union agreement to shelve the accord to bring pay for east German metalworkers up to west German levels by 1994 should be an important part of any "solidarity pact". If the price for this agreement is higher taxes in the west, then this price is worth paying.

Third, Mr Waigel must clear up the opacity caused by multiple "shadow budgets" for unity financing established during the last two years. Worries about fast rising public indebtedness will not be assuaged as long as doubts persist over the size of the debts being created in the east which will eventually be borne by central government.

In trying to form a cohesive policy to master Germany's challenges, Mr Kohl cannot avoid some degree of understanding with the Social Democrats. Without this, much-needed restructuring of the financial system for distributing resources around the 16 German Länder will be impossible. An SPD imprimatur will also be necessary for any deal with the unions.

The Social Democrats, resentful at Mr Kohl's high-handedness towards them during the unity negotiations two years ago, are in no mood to bargain away cheaply support for an unpopular government. Mr Kohl refuses to have any truck with the idea of a Grand Coalition with the SPD, and the Social Democrats themselves are still in the preliminary phase of weighing up the benefits and disadvantages. Yet if Germany's difficulties persist, power-sharing between the two main parties, at some stage before the 1994 general election, may prove to be the only way to forge a national consensus.

## Milk shaken

ONE OF the most humdrum British household commodities - milk - is about to undergo a shake-up with proposals to reform the Milk Marketing Board for England and Wales. But the milk industry is having difficulty agreeing a new structure to satisfy itself, let alone consumers.

The MMB has its origins in the early 1930s, when it rescued dairy farmers from the depression by giving them monopoly power over milk supplies. Since then the board and the Dairy Trade Federation, representing the dairies and processors, have enjoyed a cartel, which has survived several shocks, including the UK's entry into the European Community.

In 1984 the introduction of EC milk quotas halted the MMB's production expansion. In 1986 a government-commissioned report criticised aspects of Dairy Crest, the MMB's wholly owned subsidiary which has 25 per cent of the UK market for manufactured dairy products. The report was prompted by concern among other dairy companies that the MMB had become not only a monopoly supplier, but also the biggest processor of milk.

It was clear that reform was needed. But when the MMB was invited by the government to come up with reform plans in 1990, its only proposal was for the MMB to transform itself into a voluntary co-operative. This was unacceptable both to the EC Commission and the DTF, which criticised it for replacing a statutory monopoly with a voluntary one.

Some urgency was added by a challenge to the monopoly from the EC Commission over sales of low-fat milk, which now account for 40 per cent of liquid milk sales. The EC gave a "reasoned opinion" that the MMB did not hold the statutory right to buy and sell low-fat milk. Mr John Gummer, agriculture minister, rejected the opinion, but used his decision to put further pressure on the DTF and MMB to agree on reforms.

## Tired of life

THE BRITISH Tourist Authority no doubt expected its campaign to promote London as a friendly and affordable city to be greeted with scepticism. So accustomed have Londoners become to running their city down that they barely notice they are doing it. Mr William Davis, the BTA chairman, yesterday declared London to be a great capital, apparently forgetting in which he trotted out the usual complaints about a litter-strewn, tired and tarnished city.

It is this view of London which

Last month the MMB published another proposal to turn itself into a single voluntary co-operative, this time promising to hive off Dairy Crest. The DTF is still not happy with the plan. Last week it highlighted some of the more obvious concerns, not least that the co-operative would be incompatible with the free-market policies of the present government, since it expects to attract 50 per cent of the country's 30,000 dairy farmers. Aside from these worrisome aspects, the MMB has given no details of the type of contracts it expects the co-operative to have with dairy farmers. Its attempts to reform Britain's arcane milk pricing system also collapsed last month, leaving no obvious alternative. Behind these pricing problems is the fact that the milk market is not free because supplies are restricted by the EC's quota system. But this distorting system of production control also reduces the importance of eliminating the MMB monopoly, since greater competition in the market for milk cannot affect the quantities supplied.

The only part of the MMB proposal welcomed by the DTF is the spinning off of Dairy Crest. But again, crucial details are lacking, such as the basis on which shares in the company will be allocated to farmers who supplied the MMB in the past.

The agriculture ministry has said it will make no comment until after September 18, the deadline for responses to the MMB's proposals. At the moment a bill is supposed to come before Parliament this autumn. In theory it could be given the Royal Assent next June, leading to the end of the MMB monopoly in mid-1994. But with the present deadlock, this looks a wildly unrealistic timetable. It is time for the ministry to take a firmer lead. If it has insufficient ideas of its own, perhaps the Monopolies and Mergers Commission should be asked to lend a hand.

Life is full of surprises" has proved a grimly prophetic advertising slogan for Uni Storebrand, Norway's biggest insurer, which last month sought protection from its creditors.

Scandinavian financiers and regulators have been shocked by the deterioration in the fortunes of two of their biggest insurance companies, the latest victims of turmoil in the financial markets.

The upheaval is in part a result of the forces unleashed when the markets were deregulated in the 1980s. Insurers, like the banks which experienced difficulties last year, have struggled to come to terms with deregulation, lost money on credit insurance and suffered from the general fall in confidence this year in Scandinavian property and equities.

Their problems are vividly illustrated by the story of two men: Mr Jan Erik Langangen, the ousted head of Uni Storebrand, and Mr Per Vilhelm Hansen, his counterpart at Denmark's Hafnia, who dreamed of creating financial conglomerates big enough to withstand competition from bigger rivals as Europe's internal trade barriers came down.

Uni Storebrand and Hafnia have been pushed to the brink of collapse by the ill-fated efforts of their leaders to merge or take over two companies, Skandia of Sweden and Baltica of Denmark.

During 1990 Mr Hansen built up a DKK5.5bn (€415m) stake in Baltica, controlling more than 34 per cent of Denmark's biggest insurance company. In the same year Mr Langangen merged Uni and Storebrand, creating Norway's biggest insurance company.

Last autumn he persuaded Mr Hansen to join a scheme to take over control of Skandia, and by November 1991 they had spent more than SKr7bn (€888m) for a combined stake of nearly 43 per cent of the Stockholm-based insurer.

But neither Baltica nor Skandia was keen on being taken over. The resulting market uncertainty led to sharp falls in Skandia and Baltica's share prices, leaving Uni Storebrand and Hafnia nursing significant investment losses. Last month Hafnia joined Uni Storebrand in seeking protection from its creditors.

"In the eyes of the world there must be something seriously wrong," says a senior banker in Copenhagen. "But the insurance business is not a catastrophe. Speculation is the problem. Uni and Hafnia have been destroyed by tycoons."

Mr Per Vilhelm Hansen, the 46-year-old chief executive of Hafnia who resigned in April, fits the tycoon bill most neatly. He is described by industry colleagues as a "natural gambler". A machine owner and a regular at the Sunday meetings at the Klampenborg racetrack near Copenhagen, Mr Hansen wanted to use the financial muscle of Hafnia to transform Danish corporate life.

The son of a provincial blacksmith, he joined Hafnia's finance department in 1976 after a spell in the finance department of AP Møller, the blue chip Danish shipping and energy company. After he took over as chief executive in 1980, Hafnia stepped up its investments in equities. In Scandinavia's bull markets of the 1980s the company's assets grew strongly, from DKK36.5bn to DKK198.2bn between 1987 and 1990.

Mr Hansen also spearheaded a diversification of the traditionally conservative company, establishing a real estate operation and a mer-

# How dreams turned to dust

Two of Scandinavia's insurers have fallen victim to the effects of deregulation, write Richard Lapper and Karen Fossli

chant bank in the late 1980s, which worked on two successful ventures - M D Foods, a dairy company, and Tulip, a meat producer - to develop part of the country's agribusiness industry. When Mr Hansen turned his attention to Baltica, he had become a powerful figure in Denmark's financial scene.

For the company's biggest shareholders, Mr Hansen could do no wrong. "The board had complete confidence in this guy. He was admired like a small god," says one insurance industry observer.

By contrast Mr Langangen, the 42-year-old boss of Uni Storebrand until July, is regarded as a visionary whose aims reflect his links with the public sector and government. Mr Langangen honed his management style at Statoil, the country's publicly owned oil company, which has enjoyed almost limitless resources to finance its expansion.

There, he forged close links with government, especially with Labour party prime minister Gro Harlem Brundtland, to promote the merger of Statoil and a company which he joined in 1983 - with Unif. An expert on Norwegian classical literature who frequently quotes its most famous playwright, Henrik Ibsen, Mr Langangen persuaded the government that Uni Storebrand's expansion plans were in the interests of the Norwegian economy and could help the country redress Sweden's traditional domination of Scandinavia.

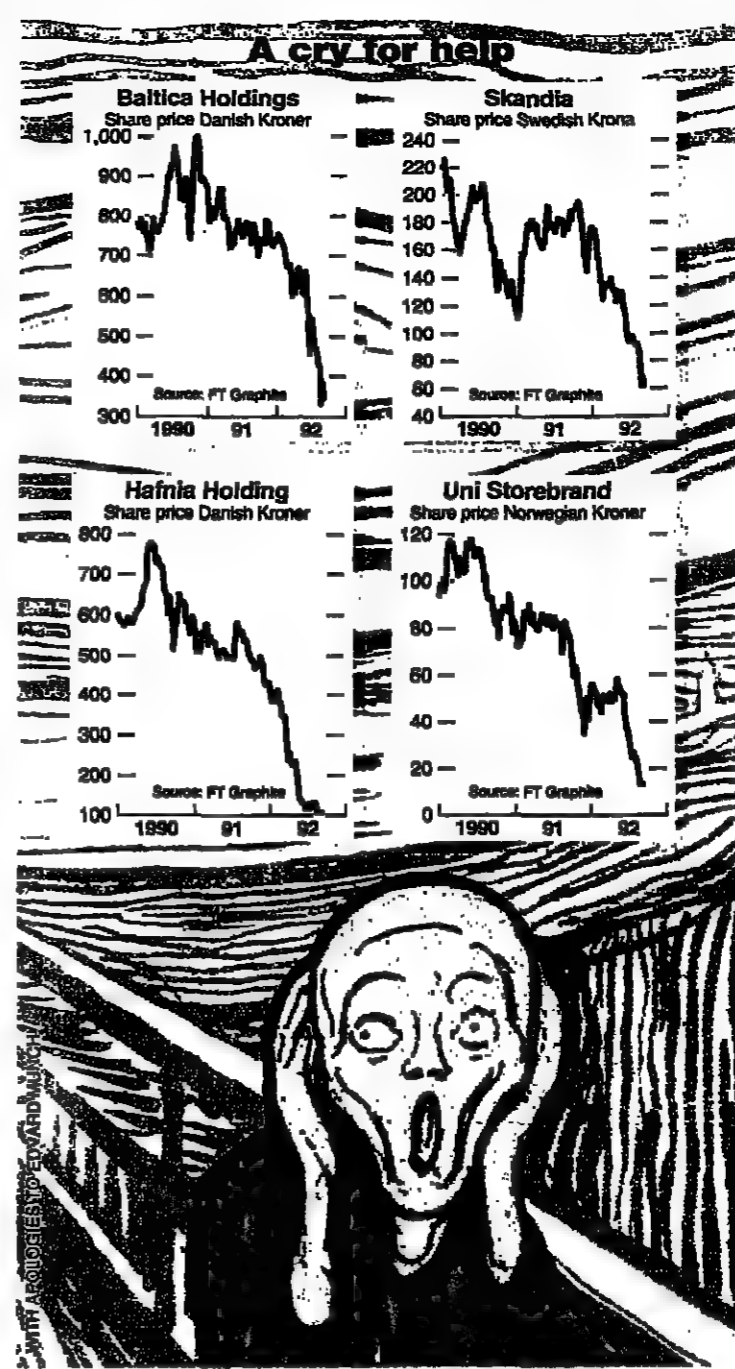
Despite their differences, the two men decided to co-operate in their joint bid to take over Skandia. All the expansion plans - including Uni's merger with Storebrand and Hafnia's assault on Baltica - were based on the idea that big was not only beautiful but necessary for survival in post-1992 Europe.

"If Hafnia hadn't done anything we would simply have been run over by the European competition," explains a colleague of Mr Hansen at Hafnia.

The aims of the two were summed up in a simple slogan: "If you are strong you can choose. If you are weak you will be chosen."

The Skandia deal, however, was an unprecedented gamble. First, by acquiring such a big combined stake in Skandia, both Uni Storebrand and Hafnia became increasingly dependent on the region's insurance companies and investors. At the end of 1991, Hafnia's combined investments in Skandia and Baltica were more than DKK7bn were almost double its shareholders' equity of DKK3.5bn.

In addition, Skandia's unusual voting rights are restricted - made it a high-risk target. The provision limiting the maximum votes of any shareholder to 30 meant, according to one analyst, that even after



acquiring more than 40 per cent of the shares, Uni and Hafnia had "no more votes than the Skandia typing pool".

Moreover, neither Mr Hansen nor Mr Langangen discussed his ideas with Mr Bjorn Wolrath, Skandia's chief executive. Mr Wolrath says there was no contact with Uni Storebrand before September 1991 when Mr Langangen told him by telephone that he had acquired 11.4 per cent of the company's shares and capital.

In October Mr Wolrath went to a meeting of Skandia's "major shareholders" in Oslo. But what was evidently a bad-tempered meeting, little progress was made. "Nothing

was presented on the plans and ideas of Uni Storebrand. It made the meeting completely useless," says Mr Wolrath.

Mr Langangen was extremely pushy. He had all the answers. He had a study drawn up by management consultants and said we could just get on and implement it."

Three weeks later, in November last year, Uni Storebrand and Hafnia completed their purchase of 43 per cent of Skandia's shares and held a press conference to announce the formation of what they termed "Nordic Co-operation".

Mr Langangen and Mr Hansen calculated that Mr Wolrath would, at least, code a minimum of three

seats on Skandia's 14-man board to the new investors. But that proved a disastrous mistake. Even though relations thawed when talks between the three companies continued in December, the disagreement and confusion served to frighten off investors.

By the time the three companies came close to agreeing a joint strategy in April, based on the complete integration of all three companies' Nordic operations, the markets had already baulked at the notion of Scandinavian insurance co-operation.

Uni Storebrand and Hafnia had acquired their Skandia shares at an average price of more than SKr200. By April this year the price had sunk to SKr123, leaving both Uni Storebrand and Hafnia with investment losses totalling almost SKr3bn.

Disgruntled international investors were in no mood to provide the fresh capital necessary to push through a merger, however. Mr Jonathan Walker of Baring Securities says: "Our clients are not interested in Scandinavian financials at any price."

Mr Johan Hiller, the investor relations manager of Skandia, says the affair has paralysed the markets. "Everything has been forgotten apart from who controls Skandia. It's a snap opera in a way."

Worse was to come. In April Skandia agreed a complex financial deal which would have given it majority control of Hafnia. The deal fell through when Hafnia's shareholders objected at the imposition of Swedish control. Instead, they agreed a restructuring, sacked Mr Hansen and sought to recapitalize through a DKK2bn rights issue.

The financial markets were unimpressed. The share prices of all four companies continued to slide. Skandia sank to a new low of SKr91.50 in July. Baltica's share price fell from DKK750 at the beginning of last November to DKK55 by the end of June, compounding Hafnia's problems. Fresh investment losses at Skandia stemming from the overall fall in Scandinavian equity markets wiped out the whole of the new capital within six weeks.

By last month the liabilities of both Hafnia and Uni Storebrand exceeded their assets, and both companies were forced to suspend payments to creditors. Creditors, shareholders and state-appointed administrators now have a few months in which to sell the companies' assets. If they are unsuccessful, a long and complex liquidation of life insurance and non-life insurance operations is in prospect.

Critics accuse Mr Langangen and Mr Hansen of overambition. Skandia's Mr Wolrath says they had a false impression of their own power. "They were so big in their home markets that they thought they were Batman."

But defenders of the two men point to deeper causes. A former colleague of Mr Langangen says domestic media reaction reflected Norwegian suspicion of individual achievement and entrepreneurship. "It shows that what Norwegians call *Jante* is alive and well," he says, referring to a fictional moral code devised by the Scandinavian novelist, Aksel Sandemose.

The code, which governs social relations in a Norwegian rural community of Jante, has among its commandments: "Don't think you are something because you are not; don't think you are wiser than us; don't imply that you are better than us."

## Joe Rogaly

# Apple-pie curriculum



I do not know what you expect of our schools, but I want children to be stretched. They should be taught mathematics. They must know how to use calculators. In Britain they should become proficient in the native English tongue, which is still a useful dialect of standard American. They should be in touch with western culture, which implies an acquaintance with at least the Bible, Shakespeare and the best of modern literature. A little science, a smidgen of history and a dip into French, German or another European language would all help. It may be too much to hope for, but it is desirable that they also absorb a set of values, a sense of the difference between right and wrong.

Ten years ago such a menu of aspirations would have been regarded as eccentric, the product of an incorrigible elitist. Some would have labelled it reactionary, or neo-fascist. Today it is becoming standard pedagogic fare. Only the promotion of religious education and basic values is still seriously disputed. This historic turnaround is the product of a decade of debate that followed a challenging speech by the last Labour prime minister, Mr James Callaghan, in 1976. At that time the avowed purpose of child-oriented classroom teaching was to facilitate self-awareness. Today it is to impart knowledge, or to transfer skills. The development of the self may follow.

This revolution in what happens in the classroom was made possible by Mr Kenneth Baker's education act of 1988, but the process is incomplete. The new machinery will not settle down until nearly the end of the century. In consequence we are in the midst of a decade of turmoil in education. There is no escape.

The alternative was to continue with a system of state schooling that betrayed the children it ought to have served. All political parties are now agreed that that was not acceptable.

The pace of change is quickening. Mr Baker was a poor administrator, so the implementation of his act was left to a department that did not believe in tailoring teachers what to do. Early versions of the national curriculum were unworkable. His successor, Mr John MacGregor, started to tackle this but had little time in the office. It was the next minister, Mr Kenneth Clarke, who packed the statutory advisory bodies invented by Mr Baker with people who believed in the changes the government wanted, rather than

Mr Patten believes the revolution has conquered the apparatchiks themselves

good folk the civil servants knew.

I recite this history in order to put the recent headlines scored by the new education secretary, Mr John Patten, in their proper place. Fate has indeed smiled on Mr Patten. He may succeed, but it will be at least partly because his predecessors handed him success on a plate. He finally made it to the cabinet on April 10, well-placed to take forward a programme arrived at after 10 years of debate and four years of hesitant starts. He found his new department at a new address, to which Mr Clarke had moved it over Christmas. It was the ideal occasion for a politician's coup. The old-think networks of officials have been swept away. What was called the department of education and science is now the department for education. A white paper - a new mis-

sion statement - was published in July. A new high-flying permanent secretary will arrive next January. Previous education ministers were frustrated by the department. Now, Mr Patten believes, the revolution has conquered the apparatchiks themselves.

This increases the chances that he will be the author of a huge administrative blunder. His populist plan for most schools to opt out of local authority control has little to do with education. It is pure Tory ideology. Yet enhanced political control over his department also makes it almost too easy to pick up applause for pursuing his job with rigour. He will review the standards of the examining boards. He will send the science curriculum back to be tightened up. He can even be quite daring. Before the April election a plan for all 14-year-olds to display some knowledge of three specified Shakespeare plays, plus a good grasp of grammar and spelling, would have been loudly assailed as narrow and restrictive. This week just such a proposal was put forward. There have been mere squeals of protest.

He is also able to make a bow to moralist Conservatives, the equivalent of "family values" Republicans in the US. At lunch in Cambridge on Monday Mr Patten asked Sir Hermann Bondi, the president of the British Humanist Association, for advice on teaching values. Sir Hermann, who has founded a group for that purpose, opened the discussion to other guests, including the Catholic Bishop of Leeds. Their apple-pie notions may find their way into the curriculum before long. They seem harmless: do as you would be done by, respect the person and so on. I do not scent incipient authoritarianism here, not yet. But I have to report that Mr Patten has taken to referring to himself, we must hope in jest, as "the nation's headmaster".

BAGPIPES,  
WHISKY,  
TARTANS & TWEEDS.

NORTH SIDE OF  
THE BORDER?

NO, SOUTH SIDE  
OF PICCADILLY.

Simpson, that bastion of Englishness in Piccadilly, has suddenly gone a bit Scottish. From the 7th to the 26th of September, there'll be free whisky tastings on the third floor, kilt and sporran making demonstrations on the first and there'll even be rippling rock pools and fly-fishing tackle on the ground. You simply must drop in - even if it's just for a pair of Argyle socks.

DAKS Simpson  
071-754 2002 PICCADILLY

The winners in Sunday's general election will inherit a divided society and a series of economic problems, says Victor Mallet

## Day of judgment for Thailand's generals

Devils and angels are evenly matched in the battle for Thailand's soul, according to the latest opinion polls. In the language of Bangkok liberals, the "devil parties" competing in Sunday's general election are those which formed a coalition government after the previous poll in March, chose the army chief as prime minister and supported the military when troops killed 50 pro-democracy protesters in the capital in May.

The "angel parties" backed the demonstrators and succeeded in forcing the resignation of General Suchinda Kraprayoon from the premiership. Their victory led to the dissolution of parliament and this weekend's election.

Pollsters and analysts, grappling with the complexities of an election contested by 12 parties, have made conflicting predictions about the outcome. But all agree that the next Thai government will again be a fragile coalition between parties on both sides of the political divide.

Whoever emerges as the new prime minister will need to attempt to heal the wounds inflicted on society by the May violence. They will also need to redress the planning failures which have left Thailand and its fast-growing economy with an inadequate education system, a poor transport infrastructure and a deteriorating environment.

If the "devils" do well on Sunday the most likely candidate for prime minister is Mr Chatchai Choonhavan, a former premier who now leads a party called Chart Pattana (National Development).

Mr Chatchai presided over a notoriously corrupt administration until he was overthrown by Gen Suchinda in the February coup. He is therefore opposed by foreign businessmen and by the increasingly liberal and middle-class population of Bangkok.

Among the so-called angels, there are three probable candidates for the premiership: Mr Chamlong Srimuang, leader of Palang Dharma (Moral Force); Mr Chuan Leekpai, who heads the Democrat Party; and Mr Chavalit Yongchaiyudh, leader of the New Aspiration Party. Their chances are thought to have improved since the March election, which left them with insufficient seats to form a government. Distrust of the military and weariness of corruption seem to be spreading to provincial towns from the liberal strongholds in Bangkok and southern Thailand.

However, the loose alliance of anti-military parties forged during the May crisis has been



High aspirations: from above left, Messrs Chavalit, Chatchai, Chamlong and Chuan

weakened by rivalry between Palang Dharma and the Democrats. Mr Chamlong, an anti-corruption campaigner and devout Buddhist, is accused by some Democrats of leading the Bangkok marchers to their deaths in May in pursuit of his own political ambitions. Mr Chuan is criticised by members of Palang Dharma for failing to take bold action outside the confines of parliament at the crucial time.

Mr Chavalit has difficulty articulating clear policies and

Chatchai, Chamlong and Chavalit - a useful experience for a prime minister wanting to keep the military and its civilian critics under control.

The armed forces themselves, which have launched or attempted to launch 18 coups d'état in the past 60 years, are keeping a low political profile, although some of the generals are openly resentful of attempts to curb their power since May. They have been stripped of many of their business sinecures by the interim

governments to implement long-term plans to improve education and infrastructure. Professor Ammar Siamwalla, president of the Thailand Development Research Institute, the country's leading think-tank, has been analysing the evolution of this problem.

He told a pre-election seminar that Japan's experience showed a country could "have sustained economic growth continuing on with a relatively backward political system". Thailand's economy, he said, had grown rapidly despite corruption because a system was in place which allowed professionals to control macro-economic policy while elected politicians ran ministries - such as transport and telecommunications - where there were opportunities for graft.

But there were two dangers in this system, Prof Ammar said. First, the corruption could become "too indecent" as it did when Mr Chatchai was prime minister, and second, rapid economic growth had created a need for long-term policy-making, which Thailand lacks.

One of the results of this failure is an educational system which is inferior to those of Thailand's regional competitors and which is failing to produce enough of the skilled workers needed to maintain the country's rapid development. Even by the year 2000 three-quarters of the workforce will have only primary education or less.

Economic reform was likewise often neglected until the arrival of Mr Anand, a businessman. During his two short terms as unelected prime minister after the 1991 coup, he launched a series of reforms, including trade liberalisation, a value-added tax and the establishment of a Securities and Exchange Commission.

This week all four prime ministerial hopefuls said they would invite professionals rather than elected politicians to run important economic portfolios in a new government. There is also broad consensus that Mr Anand's vigorous programme of economic reforms should be pursued.

In one of his final speeches before retiring from politics for the second and, he hopes, the last time - Mr Anand singled out education, the environment and the need to strengthen political institutions as the priorities for future governments.

Whoever wins - and the outcome is likely to depend on delicate negotiations about forming a coalition - resolving these problems will require angelic temperament and devilish cunning.

### Planning failures have left the country with inadequate schools, poor transport and environmental problems

his party's reputation has been damaged by allegations of vote-buying.

But despite the talk of heaven and hell, the policies of the parties on each side of the political divide are often indistinguishable. Most MPs are elected on the basis of their personal influence rather than their party affiliation.

With Mr Chamlong as prime minister, there would certainly be a drive against corruption. He has also promised to stamp out the country's vice trade by enforcing existing laws against prostitution.

Three of the four leading contenders for the premiership are retired generals - Messrs

government of Mr Anand Panyarachun. Only this week the Anand administration took control of Thai Airways International, the partially privatised national airline, from the air chief marshall who long dominated the board and regarded the company as their private fiefdom.

The economy has survived this year's political turmoil with less damage than originally feared, and the latest official estimates suggest that real gross domestic product will rise by slightly more than last year's 7.5 per cent.

Businessmen and economists, however, are concerned by the failure of successive

## LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

### Unrealistic rates of exchange

From Mr Dag Lindskog.

Sir, In your editorial, "Nordic paths diverge" (September 9), on the Finnish devaluation you write of the similarities between Finland and Sweden: "The two countries confront remarkably similar problems... It follows that their respective exchange rate policies are unlikely both to be right."

Your first statement is correct. Finland and Sweden face debt deflation, negative growth and rising unemployment. Just like the UK.

Your second statement is wrong. After the breakdown of the Bretton Woods system and throughout the 1970s, the average exchange rate between the Swedish krona and Finnish markka was 1.15. In the 1980s the markka soared to 1.55 in 1990.

Such sustainable appreciation can only be justified by very favourable Finnish cost development in comparison with Sweden. However, OECD statistics show costs developed in similar ways. Accordingly, the Finnish markka gradually became substantially overvalued during the 1980s.

How could this go on for so long and collapse so quickly? The answer is the earlier huge bilateral trade with the former Soviet Union which sheltered a large part of Finnish industry from foreign competition. The warning signals from rapidly increasing costs became too weak, but blew up when the bilateral trade recently ended.

The new exchange rate between Sweden and Finland is again 1.15 and fully justifiable. That is not true of the Finnish decision-makers' handling of the exchange rate policy, however, as they have tried in vain to maintain an unrealistic rate.

The natural collateral is that the Swedish krona should not be devalued. But the central bank's extraordinary monetary policy must be given support from a tighter fiscal policy. Dag Lindskog, *Skandia Investment Management, Stockholm, Sweden*

### Smaller companies put at risk by insider dealing plans

From Mr William Drake.

Sir, The "Tougher legislation on insider dealing" (September 9) has serious implications for smaller quoted companies. It will lead to a further withdrawal by institutions from funding smaller and medium-sized UK companies, just at a time when their requirement for funds is at its greatest and their ability to raise money from the banks is limited.

Institutional investors in smaller companies have become increasingly concerned by the lack of liquidity in the shares of these companies. The effect of the legislation will mean that neither stockbrokers nor institutions will be able to have direct contact with companies except in respect of published information, and the institutions' compliance departments will probably insist that institutions do not buy shares on the recommendation of brokers, given that the brokers might have had some direct contact with the company.

For these reasons, institutions will withdraw from direct investments in smaller companies, liquidity will decline, and

institutions will be unwilling to fund placings, rights issues, etc.

In the long term, no doubt, methods of financing can be devised similar to those in the development capital industry, which will provide equity funds for companies. However, by the time this change in our system occurs many worthy companies will either have gone to the wall or have been unable to pursue attractive commercial opportunities through lack of funding.

I strongly advise directors of smaller quoted companies to lobby the government to change its mind.

William Drake, *Granville Davis, Mint House, 77 Mansell Street, London E1 6AP*

From P G Evans.

Sir, The proposed UK legislation on "insider dealing" has all the hallmarks of taking a sledgehammer to crack a nut. For the objective of catching the tiny minority (1 per cent) of sharp operators, the whole UK investment industry's future appears to be put in

jeopardy at a time when the City of London is trying to become the financial centre of Europe.

For nearly 50 years UK fiscal policies have favoured investment in housing rather than industry and by institutions rather than individuals. Regular deficit financing by UK governments and generally lax funding policies have led to constantly higher rates of inflation than our main industrial competitors. This in its turn has resulted in a significantly higher price for long-term capital and consequently a lower level of investment by our industry.

To these existing burdens the government now apparently wishes to turn investment based upon knowledge and regular appraisal into a crime.

Isn't it about time that the mandarins of Westminster and Whitehall got off our backs and out of our pockets and gave the country a chance? P G Evans, *Bromley, Basingstoke, Hampshire RG26 5BP*

### Index will further the cause of derivatives

From Mr Roger Parsons.

Sir, It is with dismay that I note your imminent introduction of a medium capitalisation index to be followed by a family of real-time market sector indices ("New UK share indices to join existing benchmarks", September 2).

These new members will further the cause of derivatives which are already threatening to undermine the functioning of the underlying market. At

the same time institutional managers will be further opting out of their responsibilities by increasing the scope for index-trading. By definition these funds can only react to previous price movements, thereby exaggerating trends and increasing volatility undesirably.

Performance management will become more detailed but the additional statistics may only serve to confuse. In my

years as a fund manager, we were paid to attempt to outperform the future rather than to concentrate on jobbing backwards. Emphasis on historic mathematics must also be very discouraging to the management of quoted companies and, I suggest, provide a classic case of the tail wagging the dog!

Roger Parsons, *9 Holly Lodge, 41 Lindsay Road, Poole, Dorset BH13 6BQ*

### A religion nothing like a railway system

From Mr H C Gagliardi.

Sir, I refer to the feature, "India: a penitential ride to Madurai" (August 29). Intelligent travel writing presupposes prior space-work by the writer; a degree of sympathy with the subject; and, above all, humour that is neither frivolous nor offensive. I am afraid

the feature fails on all counts. Why ever did Mr David Pilling visit India? Surely, it could not have been his intention to dissuade people from visiting India, since he appears to have secured facilities from the Indian Tourist Office.

This is hardly the place to give him a rudimentary idea of

Hindulism. Suffice to say that it is not "like a railway system" - whether Indian or some other. No religion deserves such an uninformed and unwarranted comment. H C Gagliardi, *attaché, Embassy of India, Damascus*

## OBSERVER

### Travellers' tales

■ So what subject aroused the keenest discussion in yesterday's meeting of Britain's cabinet - the first since the summer vacation? Not the recession, nor even the turmoil on the foreign exchange markets, Observer's mole advises.

True, Norman Lamont explained his strategy for beating off the currency speculators. But his recital excited no more than nods of assent from his colleagues until John Major called for a round of applause for the chancellor's sterling efforts.

The hot topic was what the assembled company had done on their holidays. It turned out that the great bulk of them had visited France and wanted to air their personal judgments of the Maastricht referendum campaign.

But not even Eurosceptic Peter Lilley, the social security secretary, was bold enough to suggest that their personal straw polls pointed to a No vote. Instead, the general consensus was that President Mitterrand could count on a narrow victory. The only one to venture that the result would be a resounding Yes was William Waldegrave, and he hadn't been to France.

The name of the minister who then spoilt the fun by reminding the cabinet of the entirely unexpected humiliation of President de Gaulle in the late 1960s must sadly remain anonymous.

### Open debate

■ The cabinet mole didn't say whether ministers expressed any views on Sir Anthony Jacobs's interesting pump-priming proposal to give tax relief on all personal sector

borrowing. But provided they've been able to tear their eyes away from the tabloids, they can hardly have missed his ads in the serious press.

Sir Anthony, who sold his British School of Motoring for £40m a couple of years ago, spent £25,000 on "An Open Letter to the Chancellor of the Exchequer". Sir Anthony is not an economist or a crank. He is a chartered accountant who used to be a big wheel in the Liberal party and was once an adviser to John Pardon. However, he stresses that his ideas were not vetted by any political party. They may be daft, but they are his own and he is not representing any vested interests.

But why waste money on an advert? Sir Anthony never has much difficulty getting to see ministers. "They don't skip you with their time, you can normally get an hour," he says. But the problem is the civil servants. "They don't like radical ideas and as soon as you leave they spend their time demolishing them," says Sir Anthony who was concerned his idea wouldn't see the light of day.

So he has decided to go public with his views. "I've never done anything like this before, and will probably not do again," says Sir Anthony. Good luck to him.

### Black stuff

■ Moscow-style private enterprise arrived with a huge Russian contingent at the Farnborough airshow this week. At the foot of a ladder leading to the cockpit of a Sukhoi fighter aircraft stood a jolly round man dressed in a denim jacket, jeans and white training shoes. "Pleese. Fife pounds" were his only words of English and constituted an invitation and unofficial fee to see inside the cockpit of the beast.



"Zounds"

Observer naturally resisted the arrival of a black market in plane spotting. Only a young woman in a short skirt took up the offer and was allowed through gratis.

### Playtime

■ Puzzling to see the three Shakespeare plays which education secretary John Patten says must be covered in English tests for 14-year-olds: Julius Caesar, A Midsummer Night's Dream, and Romeo and Juliet.

But he's no doubt right in saying their "enduring themes... will capture the imaginations of pupils". What better to suit young teenage tastes than themes like cowardice, lust, betrayal, murder and war?

### Swift response

■ Did Italy's new treasury minister Piero Barucci have a hand in choosing Credito Italiano, the country's sixth biggest bank, as its first main candidate for privatisation? After all, he spent two years as joint managing director at

its Milan HQ before his surprise summons to replace Guido Carli at the treasury.

Among his plans for the company was to give it a higher profile. Although respected and profitable, the 120-year-old bank has always tended to languish in the shadow of its slightly bigger Milanese sister, Banca Commerciale Italiana. Pushing Credito to the forefront through privatisation could hardly be bettered as a way of making it more prominent.

On the other hand, the signs are that the decision was at least as much forced on the government as that it was Barucci's choice.

At last weekend's European Community finance ministers' meeting in Bath, Barucci's counterparts congratulated him on the new Italian government's attempts to get to grips with the country's vertiginous budget deficit and to defend the lira. But they also emphasised that the best indicator of the government's good intentions would be to take the bull by the horns and privatise a prime state-owned asset in earnest.

Four days later, the treasury obliged.

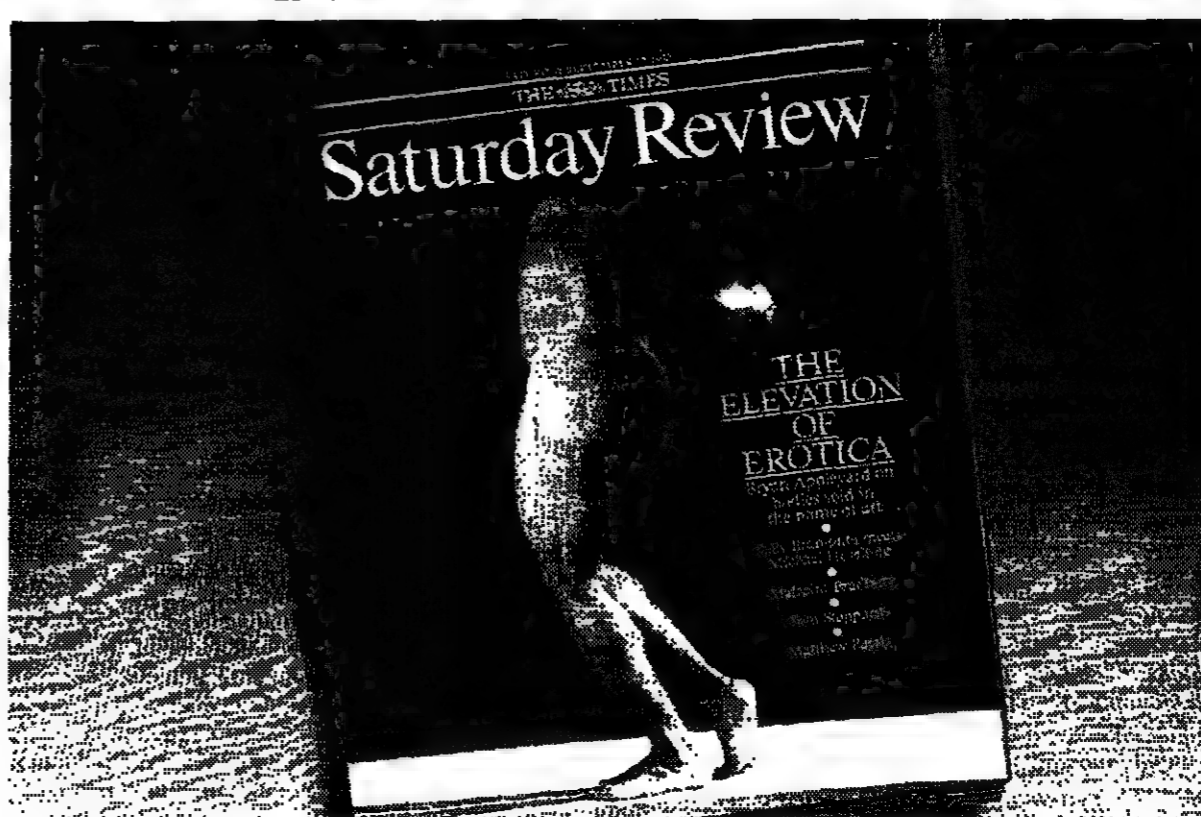
### Nordic joker

■ Norwegian humour as Luxo International's UK subsidiary launched in Rugeley a new range of lighting products. Lars Harlem, managing director, singled out Stein Muller, his Norwegian marketing manager, and Frank Edwards his UK chief: "I would particularly like to say thank you to Frank and Stein..."

### Inside job

■ Prisoners at Coldingley jail in Surrey are producing neighbourhood watch signs in their workshop.

# The art of exploitation



THIS week in the Saturday Review, Bryan Appleyard looks at how the line between pornography and art is being eroded by stars like Madonna and Mapplethorpe.

Also Sally Brampton meets Michael Heseltine. Has the man who brought down Margaret Thatcher really blown his chances of power forever?

And in this week's Travel Section, Matthew Parris defies jet lag to face a long distance getaway weekend in Buenos Aires.

Plus Malcolm Bradbury recalls his hated school days and Tom Stoppard his favourite books. Mary Whitehouse talks of her childhood and Jonathan Meades finds one of Britain's best grins dauphinois in a restaurant in Bath.

THE SUNDAY TIMES

# Mandela to meet de Klerk

The decision to hold talks with the government over violence which earlier this week claimed the lives of more than 20 people in the Giskei black homeland represents a victory for the moderate faction of the ANC, which is committed to negotiating a new constitution for South Africa.

However, leading moderates won the day, arguing that Mr Mandela should meet Mr de Klerk, subject to the fulfilment of certain conditions. These included the release of remaining political prisoners, the banning of dangerous weapons in public and

Mr Botha yesterday sent a 21-page memorandum appealing to Mr Boutros Boutros Ghali, UN secretary-general, to put pressure on the ANC to stop what he called "provocative actions which

**Pretoria toughens line. Page 7**

## Vance and Owen arrive in Sarajevo

# Fujitsu builds fastest computer

Now that's fast, Page 13  
US computer launches, Page 21

## Bush offers US an 'agenda for renewal'

In domestic political terms it was intended to lay out an eco-

Picture. Page 6

## Swedish interest rates to remain high

The central bank estimates that about half of that deficit is due to the downturn in the business cycle and would disappear

Parliament is not due to return

The markets wanted to see the details of a package of measures designed to eliminate the structural deficit. "If the government and the Social Democrats could agree on the main elements of a fiscal policy, the markets would respond," he added.

## A provisional success

**Codburg: Schwannos**

**BTR**

Share price relative to the FT-A All-Share Index

115  
110  
105  
100  
95  
90

Jan 1991 1992 Sep

Source: FT Graphix

other overseas earners. It makes the often forgotten point that when the bilateral currency relationship changes, others do not necessarily remain constant. Thus, while a 10 per cent fall in the US dollar against the pound might typically knock £500 off half-year earnings, an accompanying 10 per cent fall in the Australian dollar against the pound in cost terms is difficult to quantify, a falling US currency tends over time to lead to a rise in commodity prices, a development which might add back a further £180 in the above example. Finally there is the lower sterling value of foreign currency debt, of which RTZ has \$1.8n.

The message is clear. The stores may be of value, but they are not a multiple above average earnings multiple. They should not be chased speculatively.

**Glaze**

**Crux** of Glaxo's dependence on a single drug can point to the fact that Zantac accounted for 44 per cent of the company's sales last year and perhaps 50 per cent of its profits. They might also worry that the migraine treatment Imigran has not yet received US approval and that the anti-emetic Zofran, while doing well, has a limited market. But that would be to ignore the marketing power of the company, which has been growing steadily. Sales rose by 13 per cent last year. Clearly longer term prospects are governed by the success of drugs such as Imigran, and while the size of the market is not yet clear, the indications are that they too will be money spinners. Given the large US holding in Glaxo, which are also the largest, the company may feel the pain in their performance statistics.

**BRI /ING**

The cause of continental minorities was advanced last month when a Belgian court ordered the French hotel group Accor to compensate at least some aggrieved Wagons-Lits shareholders with the premium price it paid to win effective control in June 1990. Yesterday's news that the Dutch insurer ING is expecting to make a general offer for Banque Bruxelles Lambert at Bf3,600 per share — the same price which it is planning to pay for a crucial 7 per cent stake now held by Italian investors — is also a heartening development. Not before time it looks as though local stock market regulators are waking up.

RTZ

The most interesting feature of RTZ at present is its sensitivity to currency movements. The metals company want to some lengths at its half-year presentation yesterday to demonstrate that the impact of foreign exchanges on its earnings is generally less than it seems, and that the long-term economic value of a shareholder's investment can often be broadly unchanged. Cyrcles will say that the exercise was designed to explain the 12 per cent under-performance of RTZ's shares since the end of June; the rejoinder is that the company may be talking itself into a false sense of security in the price if the dollar recovers or if sterling devalues within the ERM.

RTZ's analysis is as relevant to

# London City Airport – Opportunity for Investors

Potential investors have expressed interest in London City Airport to its 90 per cent owner, John Mowlem & Company PLC, which announces that it is now considering the introduction of a further co-investor. Kleinwort Benson Limited has been appointed to act on Mowlem's behalf in evaluating offers received.

Since receipt of planning consent in September 1991, the airport runway has been lengthened. Service by a variety of aircraft types commenced from the new runway in April 1992.

The airport is London's only inner city airport and is well placed to serve the expanding market for European business air travel. By October of this year there will be seven airlines operating from London City.

Mowlem has made a considerable investment in the airport and believes that it is now an appropriate time, if satisfactory terms are agreed, to realise a part of this investment.

Interested parties should contact Jonathan Flory at Kleinwort Benson Limited, 20 Fenchurch Street, London EC3P 3DB, telephone 071 623 8000.



**LONDON CITY  
AIRPORT**

[illegible]



## INTERNATIONAL COMPANIES AND FINANCE

## Exchange rates help lift Glaxo 11% to £1.3bn

By Paul Abrahams in London

GLAXO, Europe's largest drug group, reported pre-tax profits up 11 per cent from £1.1bn to £1.29bn (\$1.77bn) for the year to June 30. The results were at the low end of expectations and the group's shares fell 7p to 746p.

Sales increased 21 per cent from £3.39bn to £4.09bn, while trading profits increased 17 per cent from £1.1bn to £1.29bn. However, Mr Ernest Mario, deputy chairman, admitted both figures had benefited from currency changes. The US dollar had been \$1.76 on average during 1992 compared with \$1.86 in 1991. At constant exchange rates, the increases would have been 18 per cent and 12 per cent respectively. Volume growth, excluding price increases and exchange rates, grew 16 per cent.

Sales in all four of Glaxo's established therapeutic areas - anti-ulcerants, respiratory, antibiotics and dermatological medicines - showed healthy

increases, said Sir Paul Giamli, chairman.

Margins fell from 32.4 per cent to 31.4 per cent as the company increased its investment programmes. Sir Paul said the company had invested £595m on operating expenses for research and development (R&D) during the year. In addition, a further £300m had been spent on capital projects related to R&D. The group has set up an R&D centre in Japan. Sir Paul said such investment was the key to the future.

Mr Stewart Adkins, pharmaceuticals analyst at Lehman Brothers, said higher than expected R&D and capital expenditure would reduce interest receivable in the future. In 1992 it fell 22 per cent from £178m to £140m.

Earnings per share rose 13 per cent from 30.4p to 34.3p. Earnings per ADR increased only 7 per cent from \$1.13 to \$1.21 because of currency changes. The board proposed a dividend of 17p for the year, an increase of 21 per cent.

Lex, Page 18; Details, Page 28

## France to rescue European chip-maker

By David Suchan in Paris

THE FRENCH government yesterday announced that the French nuclear power operation CEA-Industrie is to come to the rescue of the loss-making semiconductor activities of Thomson Consumer Electronics (TCE), the state-owned electronics company.

But an earlier plan for CEA-Industrie, the industrial arm of the Commissariat à l'Energie Atomique, to merge with TCE, which has recently made even greater losses, has been shelved. Mr Dominique Strauss-Kahn, the French industry minister, said the future of TCE would be "re-examined" separately.

Following yesterday's announcement, CEA-Industrie is to displace TCE as the chief holder of the 45 per cent French stake in SGS-Thomson, the troubled European chip producer.

IRI, the Italian state holding company, holds another 45 per cent in SGS-Thomson, with Thorn-EMI of the UK holding the remainder. France Telecom, the state-owned telephone company, is also to take a part of the equity in SGS-Thomson, to further dilute the Thomson group's stake.

With this reshuffle on the French side, Mr Strauss-Kahn said the French government would be proposing to its Italian partner "a recapitalisation as soon as possible" of SGS-Thomson, which made a loss of FF800m (\$103.95m) last year.

The French industry minister claimed that SGS-Thomson would benefit from substantial synergy arising from semiconductor research carried out by CEA-Industrie and France Telecom.

The earlier plan, championed by Mrs Edith Cresson, the former prime minister, to use CEA's sizeable profits to bolster the television business of TCE, was widely criticised as lacking industrial logic. TCE has chalked up losses of FF10bn over the past two years.

## A tentative step towards a 'perfect marriage'

The Dutch insurer is ready to bid for BBL write Andrew Hill and Ronald van de Krol

It is probably stretching a point to compare the likely bid for Banque Bruxelles Lambert (BBL), the Belgian bank, with the fight for Société Générale de Belgique in the late 1980s.

For one thing, Internationale Nederlanden Groep has built its 10 per cent stake in BBL under a regulatory regime which was strengthened considerably following the shock 1988 bid for La Générale by Mr Carlo De Benedetti. For another, the Dutch banking and insurance company, which yesterday indicated it was considering a formal bid, appears to have the backing of most of BBL's senior management.

But the BBL affair does have some of the same volatile elements as the La Générale battle: a foreign bidder, the possibility of fierce opposition and an entrepreneurial figure who holds most of the keys to the outcome.

In the La Générale bid the entrepreneur was Mr De Benedetti, an outsider, and, eventually, a loser. But in the case of BBL, it is one of Belgium's most powerful insiders: Mr Albert Frère, chairman and managing director of Groupe Bruxelles Lambert (GBL), the holding company which controls some 24 per cent of BBL.

GBL and Mr Frère's influence cannot be overestimated. For example, thanks to a long-standing shareholder agreement, holding company could actually thwart

A BELGIAN court yesterday ruled that Accor, the French hotel group, did not have to reopen its FF2.2bn (\$458.3m) bid for Wagons-Lits, the Franco-Belgian tourism company, writes Andrew Hill in Brussels.

The judgment should draw some of the sting from last month's landmark court ruling forcing Accor to pay three groups of minority shareholders an additional FF950m for their shares.

Accor is appealing against ING's offer before it has been launched - by buying the 6.72 per cent stake ING has been offered by Unipar of Italy. GBL is unlikely to exercise its right to buy, because if it did, the Belgian regulatory authorities would certainly force a bid for the rest of the bank. If anything, Mr Frère wants to reduce his stake.

But GBL is not necessarily going to cave in to the Dutch. Comte Jean-Pierre de Launoy, GBL's deputy chairman and a BBL director, said yesterday the price - which values the group at FF630m (\$2.18bn) - seemed unsatisfactory.

GBL will reserve judgment on the bid until ING has had a closer look at the bank and launched a formal offer. That could take until the middle of next month, allowing time for other shareholders to put

the August judgment, which established that the French company - together with Société Générale de Belgique - gained control of Wagons-Lits in June 1990, when they bought a 26 per cent stake at FF12.500 a share. The bid was launched last October at FF8.650.

The Brussels commercial court yesterday rejected institutional shareholders' attempt to reopen the bid, apparently dashing hopes that other investors might receive the increased price. Brokers had estimated the

bid at FF12.500 a share. Some analysts believe investors who can prove they held shares in June 1990 might still receive the extra cash. Accor had promised to extend the payout to shareholders "in a similar situation" if it finally loses the court battle.

The group of institutional shareholders defeated in yesterday's ruling could still appeal. It wants to audit the BBL accounts - against the wishes of directors appointed by GBL, Royale Belge and Winterthur, the Swiss insurer - and will not go ahead with a full bid unless it can win more than 51 per cent of the bank.

The Dutch group may have gone further than before in stating its intentions and seems to have a better chance of acquiring the bank than any other shareholder.

For its part, ING regards BBL as the perfect vehicle to introduce "bancassurance" - the combining of banking and insurance services in one company - into the Belgian market.

With its 976 branches, BBL is seen as an attractive outlet for selling traditional insurance products to banking clients, mirroring what ING is trying

to do in the Netherlands. Abroad, BBL is an interesting partner for ING because of its presence in Africa, a legacy of Belgium's colonial past. ING's subsidiary NMB Bank, which this week was renamed ING Bank, has built up a strong reputation in emerging markets and in trading in third-world debt.

Yet until now ING has proceeded cautiously, fearful of political sensitivities in Belgium about one of the country's premier financial institutions falling into the hands of a Dutch concern from north of the border. ING was quick to say yesterday that if the takeover goes ahead, BBL will retain its identity and corporate culture while participating in the development of the Dutch group's overall strategy.

The bancassurance concept was the driving force behind the creation of ING in early 1991, when Nationale-Nederlanden, the biggest Dutch insurer, merged with NMB Postbank, the Netherlands' third-largest bank, to create a broad financial services group.

From the start, ING's intention has been to expand in Europe, and it has never disguised its interest in BBL.

Nevertheless, news of the deal was met with some scepticism on the Amsterdam Stock Exchange, where ING's share fell to close at FF1.80 at FF1.42.

## Increase in turnover helps Fortis climb to Ecu196m

By Ronald van de Krol in Amsterdam

FORTIS, the Dutch-Belgian insurance and banking group, posted a 10.3 per cent rise in first-half net profit to Ecu196.8m (\$279.9m) on turnover up 25.3 per cent at Ecu4.5bn.

The strong increase in turnover partly reflects acquisitions such as the purchase of Mutual Benefit Life in the US. After adjusting for acquisitions and divestments, the turnover increase is equivalent to 15.3 per cent.

Fortis, which is jointly owned by Ambev of the Netherlands and AG of Belgium, said the steep decline in the value of the dollar would influence second-half results, but it

repeated earlier predictions that 1992 net profit would be slightly higher than in 1991.

Operating profit rose by 18 per cent to Ecu180.2m, with both the insurance and the banking operations contributing to the gain.

Realised capital gains on investments were up Ecu8.8m at Ecu71.4m. Higher gains on property and bond investments outweighed lower results on share sales.

In life insurance, the group's biggest business, operating results were largely unchanged at Ecu83.1m compared with Ecu82.4m a year earlier.

Operating results in accident and health insurance rose 40 per cent to Ecu32.5m, reflecting the US acquisition as well as an improvement in results in Belgium.

## Hawker acquisition offsets BTR fall

By Richard Gourlay

BTR, the industrial conglomerate, yesterday reported a 7 per cent increase in interim profits as a result of last year's £1.55bn acquisition of Hawker Siddeley offset a small fall from the group's old business.

Str Owen Green, chairman, said acquisitions had provided an "oasis of opportunities" in the economic desert.

Mr Alan Jackson, chief executive, said BTR should be ready to make another acquisition next year. Recession would allow the group to "go after another large underperforming industrial company".

In the six months to end June, BTR's pre-tax profits rose from £525m to £548m on sales 33 per cent higher at £4.3bn. Earnings per share rose 1.7 per cent to 17.7p and the interim dividend is to be raised 3.3 per cent to 7.75p.

Without Hawker Siddeley, BTR's sales would have fallen about £100m and profits about £40m. This deterioration was almost entirely due to the "dreadful" construction

sector, the company said. BTR also used acquisition accounting to add another £160m of goodwill write-offs to the £270m of provisions set up last year. The latest write-off covered £110m of provisions, some for contingent liabilities, and a £50m adjustment to property values.

Miss Kathleen O'Donovan, finance director, said the latest provisions, would be the final ones relating to Hawker.

BTR's shares rose 19p to 426p.

Lex, Page 18 Management, Page 11

## UCB expects growth to slow down in second half

UCB, the Belgian pharmaceuticals and chemicals group, expects slower profit growth in the second half of 1992 compared with the 43 per cent rise reported yesterday for the first six months, Reuter reports from Brussels.

"The second half of the year has not taken off too badly, but prudent incentives me to say that growth will not be as high as in the first half," said Mr Georges Jacobs, UCB's chairman of the executive committee. Profits for the first half jumped to BF1.46bn (\$61.4m)

from BF1.04bn in the previous corresponding term. Net profit rose to BF1.57bn from BF1.01bn. The increase was due to the good performance in UCB's three sectors of activity, said Mr Jacobs.

The chairman said the target date for the approval of Zytac in the US remained early 1993, while he hoped to get the approval in Japan in 1994.

Mr Jacobs said UCB, which currently has 15 per cent of its sales outside Europe, aimed to double its non-European sales before the end of the decade.

**De Nationale Investeringsbank N.V.**  
(Incorporated with limited liability in the Kingdom of The Netherlands and having its corporate seat in The Hague)

**Programme for the Issuance of Debt Instruments**

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**Arrangers**

DE NATIONALE INVESTERINGSBANK N.V.  
MORGAN STANLEY GmbH  
MORGAN STANLEY INTERNATIONAL

September 1992

Prices for electricity determined for the purpose of the electricity trading and settlement arrangements in the Netherlands

Period	Price (p/kWh)	Price (p/kWh)	Price (p/kWh)
01:00-02:00	17.70	17.70	17.70
02:00-03:00	17.70	17.70	17.70
03:00-04:00	17.70	17.70	17.70
04:00-05:00	17.70	17.70	17.70
05:00-06:00	17.70	17.70	17.70
06:00-07:00	17.70	17.70	17.70
07:00-08:00	17.70	17.70	17.70
08:00-09:00	17.70	17.70	17.70
09:00-10:00	17.70	17.70	17.70
10:00-11:00	17.70	17.70	17.70
11:00-12:00	17.70	17.70	17.70
12:00-13:00	17.70	17.70	17.70
13:00-14:00	17.70	17.70	17.70
14:00-15:00	17.70	17.70	17.70
15:00-16:00	17.70	17.70	17.70
16:00-17:00	17.70	17.70	17.70
17:00-18:00	17.70	17.70	17.70
18:00-19:00	17.70	17.70	17.70
19:00-20:00	17.70	17.70	17.70
20:00-21:00	17.70	17.70	17.70
21:00-22:00	17.70	17.70	17.70
22:00-23:00	17.70	17.70	17.70
23:00-00:00	17.70	17.70	17.70

Prices are determined for every half-hour in each week-day time period. Prices are in pence per kilowatt-hour, rounded to two decimal places. The prices are determined by the Dutch Electricity Exchange (DEE) on the basis of the electricity trading and settlement arrangements in the Netherlands. The prices are determined by the Dutch Electricity Exchange (DEE) on the basis of the electricity trading and settlement arrangements in the Netherlands. The prices are determined by the Dutch Electricity Exchange (DEE) on the basis of the electricity trading and settlement arrangements in the Netherlands.

**The "Shell" Transport and Trading Company, Public Limited Company**

**Interim dividend 1992**

Notice is hereby given that a balance of the Register will be struck on Friday, 2nd October, 1992 for the preparation of warrants for an interim dividend for the year 1992 of 9.3p per 25p Ordinary share payable on 2nd November, 1992.

For transferees to receive this dividend, their transfers must be lodged with the Company's Registrar - Lloyds Bank Plc, Registrar's Department, The Causeway, Worthing, West Sussex BN99 6DA, not later than 3pm on 2nd October, 1992.

**SHARE WARRANTS TO BEARER**

The Coupon to be presented for the above dividend will be No. 188 which must be deposited for examination at Lloyds Bank Plc, Registrar's Department, Issues Section, Boisa House, 80 Cheapside, London EC2V 6EE, not later than 25th October, 1992, or may be surrendered through Messieurs Lazard Frères et Cie, 121 boulevard Haussmann, 75008, Paris.

**BY ORDER OF THE BOARD**

J. A. Cuntiff  
Secretary

Shell Centre,  
London SE1 7NA  
10th September, 1992

**N.V. Koninklijke Nederlandsche Petroleum Maatschappij**  
(Royal Dutch Petroleum Company)  
Established at The Hague, The Netherlands

**Interim dividend 1992**

The Supervisory Board and the Board of Management of Royal Dutch Petroleum Company have decided to pay an interim dividend in respect of the financial year 1992 of N.f. 3.80 on each of the ordinary shares with a par value of N.f. 5.

In the case of holders of bearer certificates with coupons this interim dividend will be payable against surrender of coupon No. 208 on or after 22nd September, 1992, at the offices of:

**Barclays Bank PLC,**  
Stock Exchange Services Department,  
168 Fenchurch Street,  
London EC3P 3HP  
on business days between the hours of 9.30 a.m. and 2 p.m.

Payment will be made in sterling at the buying rate of exchange current in London at 2 p.m. on 17th September, 1992, in the case of coupons presented on or before that date, or on the day of presentation in the case of coupons presented subsequently. Coupons must be accompanied by a presentation form, copies of which can be obtained from Barclays Bank PLC.

In the case of shares of which the dividend sheets are, at the close of business on 11th September, 1992, in custody of a Depositary designated by the company and admitted by Centrum voor Fondsenadministratie B.V., Amsterdam, this interim dividend will be paid to such Depositary on 22nd September, 1992. Such payment will be made through the medium of Barclays Bank PLC, after receipt by them of a duly completed CF Dividend Claim Form.

Where under the double tax agreement between the United Kingdom and the Netherlands, 15 per cent Netherlands dividend tax has been withheld, the 15 per cent United Kingdom tax is allowable for a resident of the United Kingdom as a credit against the United Kingdom income tax payable in respect of the dividend. The deduction of United Kingdom income tax at the reduced rate of 10 per cent instead of at the basic rate of 25 per cent represents a provisional allowance of credit at the rate of 15 per cent.

Where appropriate, the usual affidavit certifying non-residence in the United Kingdom will also be required if payment is to be made without deduction of United Kingdom income tax at the basic rate.

The Hague, 10th September, 1992.  
THE BOARD OF MANAGEMENT

**ANZ Bank**  
Australia and New Zealand  
Banking Group Limited  
Australian Company Number 005 357 522  
(Incorporated with limited liability in the State of Victoria, Australia)

**U.S. \$200,000,000**  
Floating Rate Notes due 1994

Notice is hereby given that for the Interest Period 10th September, 1992 to 10th December, 1992 the Notes will carry a Rate of Interest of 3.45% per annum with an Amount of Interest of U.S. \$87.29 per U.S. \$10,000 Note. The relevant Interest Payment Date will be 10th December, 1992.

Bankers Trust Company, London  
Agent Bank

**WORLD TEXTILES**

The FT proposes to publish this survey on November 12 1992.

Textiles are one of the most heavily traded goods in the world. To discover what the FT is planning to do in this survey and how to reach our international audience of decision makers, financiers and government administrators contact:

Ruth Piccinini  
Tel: 061-534 9381  
Fax: 061-532 9248  
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Queens Street,  
Manchester M2 5LF

**FT SURVEYS**

**U.S. \$275,000,000**  
of which  
U.S. \$200,000,000 has been issued as the Initial Tranche

**The Bank of New York Company, Inc.**  
Floating Rate Subordinated Capital Notes due 1997

Notice is hereby given that the Rate of Interest has been fixed at 5.25% p.a. and that the interest payable on the relevant Interest Payment Date, December 11, 1992 against Coupon No. 28 in respect of U.S.\$10,000 nominal of the Notes will be U.S.\$132.71.

September 11, 1992 London  
By: Citibank, N.A. (Issuer Services), Reference Agent: CITIBANK

**DOMUS MORTGAGE FINANCE NO 1 plc**  
**£100,000,000**  
Mortgage Backed Floating Rate Notes due 2014

In accordance with the conditions of the Notes, notice is hereby given, that for the three month period 8 September 1992 to 8 December 1992 the Notes will carry a rate of interest of 10.6625 per cent per annum with a coupon amount of £2,668.32.

**CHEMICAL BANK**  
Agent Bank

## INTERNATIONAL COMPANIES AND FINANCE

# Procordia buys Swedish Match for SKr1.37bn

By Robert Taylor  
in Stockholm

PROCORDIA, the Swedish food and pharmaceutical conglomerate jointly owned by Volvo and the Swedish state, announced yesterday it was acquiring Swedish Match, the world's leading match and disposable lighter manufacturer.

At the same time it also revealed that it was selling its sugar producing subsidiary for around SKr2.4bn to Danisco AS, Denmark's sugar producing company, which will bring Procordia around SKr600m profit.

Swedish Match, which is owned by a consortium of international companies including Citicorp Venture Capital in London, will become a subsidiary of Procordia's tobacco and confectionery business, United Brands. It is hoped that the agreement can

be finalised on 15 September. Mr Klaus Unger, vice president of the company's United Brands division, said yesterday that the products of both businesses complemented each other and provided strong possibilities for co-operation in the European consumer market.

The purchase of Swedish Match will provide Procordia with a company that has an annual turnover of around SKr2bn and employs 4,400 people. As a result of the acquisition, the Swedish company's United Brands division will have a SKr8bn annual turnover, with nearly 10,000 employees.

Swedish Match was once run by the famous Swedish industrialist Mr Ivar Kreuger who shot himself after his empire collapsed in 1931.

Swedish Match has had several owners since it was bought in March 1988 by Stora, the Swedish forestry group, for

SKr5.9bn. In November 1989 Stora sold Swedish Match consumer products, which included Wilkinson Sword, for SKr3.9bn to a group of international investors, including Gillette of the US.

As a result of this the Monopolies and Mergers Commission in the UK investigated the sale and ruled that Gillette had to undo the effect of the merger in the UK market.

Commenting on the sale of its sugar business - Sockerbolaget - to Danisco, Mr Goran Lindén, Procordia's vice president, said that the deal would ensure a stable future for the Swedish sugar industry.

He added that the divestment was also in line with the company's strategy to divest itself of all but its core business in food, pharmaceuticals and bio-technology. The acquisition will make Danisco the fourth largest sugar producer in Europe.

## Norwegian financial sector losses

By Karen Fosell in Oslo

NORWAY'S ailing financial sector has suffered losses on loans and guarantees of an estimated Nkr50bn (\$14.3bn) in the past decade, according to the Banking, Insurance and Securities Commission, the country's financial watchdog. The bulk of the sector's losses have occurred during the last four years.

BISC's composite figures for the first half of this year - which cover commercial banks, savings banks, finance companies and credit institutions - indicate that the worst may be behind the sector with interest earnings showing signs of revival as costs are being reduced.

First-half combined net interest earnings rose to Nkr10.81bn from Nkr10.39bn last year, as costs fell to Nkr8.2bn from Nkr9.2bn.

Last year was by far the sector's bleakest year with combined losses hitting a record Nkr21.33bn. In other words Norway's financial institutions operated at a loss of Nkr58m a day in 1991.

In the first six months of this year the sector's combined losses have been reduced to Nkr5.3bn from Nkr8.1bn in the same period last year. BISC believes, albeit with great caution, that this year's first-half losses may indicate that losses for the year as a whole could be lower than last year's record level.

"This is dependent on (Norway's) economic development in the second half. Experience shows, however, that losses have been greater in the second half than the first half," BISC warned.

The level of second-half credit losses is uncertain and the securities markets have developed more weakly as money-market rates increased sharply, it said.

From end-June 1991 until end-June this year the sector has reduced combined assets by an estimated Nkr70bn to Nkr740bn, or by 9 per cent.

## Bacardi stake confirmed

By Philip Rowntree

BACARDI, the Bermuda-based international rum company, yesterday confirmed that it has agreed to make "a significant investment" in the Martini & Rossi vermouth and wines group.

As reported in the Financial Times, the two companies intend to combine their drinks portfolios and distribution networks to form a powerful new grouping in the industry.

J.P. Morgan, Bacardi's financial adviser, said: "This transaction will give the two groups reciprocal access to their distribution networks around the world."

# Feud hits Yamatane restructuring

By Robert Thomson in Tokyo

THE restructuring of Yamatane Securities, the Japanese broker, has become complicated by a feud within the company's founding family and by an ongoing disagreement with the leading banks supposed to fund the restructuring.

Yamatane, which reported a ¥25.4bn (\$266.5m) net loss last fiscal year, confirmed yesterday that it would close a Swiss subsidiary specialising in equity-linked bonds, and said it is studying a plan to cut senior management staff by 40 per cent and total employees by 30 per cent.

But doubt remains over the fate of the broker's former chairman, Mr Tomiji Yamazaki, who is still on the board and has yet to relinquish his control over the company, in spite of repeated requests from the banks and from his family.

The Yamazaki family is at the centre of the unfolding drama that has embarrassed the securities industry. Japanese financial newspapers have provided daily reports on the feud between Tomiji and his brother, Seizo, who runs Yamatane Corporation, a warehouse operator and food distributor.

Some of Yamatane's problems are characteristic of those of other second-tier brokers, most of which reported losses last year. The company has been bruised by the fall in stock prices and turnover, and is now regretting its rapid expansion during the 1980s.

Yamatane was also investigated by the finance ministry for its role in the "tobashi" scandal, in which brokers shuffled stocks around client accounts to avoid booking losses. However, some of those clients discovered that they were left holding the losing

stocks, leading to at least four legal actions against Yamatane.

In an attempt to return to profit this year, the company appealed to its main banks - including Sakura Bank and Mitsubishi Trust and Banking - to provide funds for a restructuring, and hinted that it would otherwise begin offloading its bank stocks. Sakura sent two managers to the company, but found that Tomiji Yamazaki continued to direct management decisions.

Mr Tomiji Yamazaki, who says renovating the company is his "responsibility", also appealed to his brother, Mr Seizo Yamazaki, for assistance, but the latter was dismayed by the scandal that the Yamatane name had attracted. Seizo's company, which has a 6.2 per cent stake in the broker, has its own profit problems, as the economic downturn has hurt the warehousing business and its property interests.

The Yamatane group was built by their father, Taneji. He dispatched the sons to separate companies in the belief that they would argue if put together, but they still managed to fall out.

The daily twists in the family saga and the broker's tortured relationship with the bankers have left its workers wondering if they will be among the first lay-offs at a leading Japanese company.

On Tuesday, Yamatane said that a new agreement was reached for reconstruction and on Wednesday, the pact was said to have fallen through. A Yamatane Securities spokesman said that "we really don't know what is going on at the top - it's difficult for us to tell from down here".

Sakura Bank, destined to play an important role in overhauling the troubled broker - in which it has a 4.9 per cent stake - said "negotiations are continuing".

# Pinault sale raises FF1bn

By John Thornhill

PINAULT has strengthened its financial position by concluding a FF1bn deal with Crédit Lyonnais, opening the way for the investment bank to take a 20 per cent stake in the enlarged capital of the timber company which is being transformed into a retailer.

"This operation gives Financière Pinault supplementary financial means so that it can pursue its development," the company said.

The French press reported yesterday that Pinault might be interested in buying the French arm of the Habitat furniture chain which is owned by the UK Storehouse group.

Such an acquisition could make a good fit with Pinault's existing Conforama furniture chain. But both sides declined to comment on the reports.

However, Mr Patricia Barthelemy, deputy managing director of Pinault, added that Pinault may use the additional funds to move into new areas away from retailing altogether.

Another financial priority for Pinault, which recently took over the Au Printemps retail group, has been to drive down its high level of debt which rose to FF15.5bn after clinching the controversial acquisition at the end of last year.

Last month, Pinault succeeded in selling one of its original timber businesses, Iso-

roy, to the German Glunz group for an undisclosed sum and indicated that it was looking for other means of raising capital.

Clinvest, the investment arm of Crédit Lyonnais, will inject FF1bn of new capital into Pinault's financial holding company, Financière Pinault, in return for its 20 per cent stake. The holding company's other main shareholders are Mr François Pinault - the group's aggressively entrepreneurial founder - and his family.

Clinvest already controls 7.55 per cent of the capital of Pinault and 7.45 per cent of its voting rights.

# Bertelsmann net income up 6%

By Andrew Fisher  
in Düsseldorf

BERTELSMANN, the German publishing, music, and commercial television group, has made a favourable start to its current financial year and expects its earnings growth to surpass the 5 per cent rise in net income to DM370m (\$407.1m) it managed in 1991-92. Mr Mark Wessner, chief executive, said: "We are satisfied with the development so far in 1992-93. He expected turnover and profits to rise by around 10 per cent.

Turnover in the financial year to June 30 1992 rose by 10 per cent to DM18bn, of which 38 per cent was achieved in the buoyant domestic market. Operating profits were 16 per cent higher at DM1.4bn before start-up costs on new projects of DM310m - sharply up from DM183m - and tax.

Mr Wessner said the jump in these costs partly reflected the need to take full ownership of a Berlin publishing venture

after the death of Mr Robert Maxwell, whose Maxwell Communications was a partner in the project.

Bertelsmann has also been investing in newspapers in east Germany, the *Premiere* pay-TV channel in Germany, and new music labels in the US and UK, as well as expanding its book club activities. It has also begun a new business magazine, *Capital*, in France.

Mr Siegfried Luther, the finance director, said most of the turnover increase came from existing businesses and around 2 per cent from new ventures such as newspapers in Dresden and Berlin. Cash flow was 8 per cent higher at DM1.5bn and net indebtedness down considerably from DM6.5bn to DM4.4m.

In the US, where Bertelsmann owns RCA music and the Doubleday, Dell, and Bantam publishing operations, Mr Wessner said economic weakness had affected business. "Our profits are under strength there," he said.

The Doubleday book club was now in profit after heavy losses. In publishing and recording, Bertelsmann was investing heavily on restructuring and business growth. North American turnover is 22 per cent of the total.

Group investments rose to DM2.5bn from DM2.3bn, although Mr Wessner said spending would come down to around DM3.5bn this financial year. The group defines its investments to include marketing efforts to recruit new book and music club members, as well as licensing rights and fees for new publications and recordings.

The company also announced a move to make its DM725m of interest-bearing participation certificates more attractive. These carry no vote and are quoted. Bertelsmann will give up its rights to buy these back at historical values lower than today's market prices in return for greater flexibility in fixing the terms of future issues.

# Teltschik appointed to head BMW division

By Andrew Fisher

BMW, the German luxury car company, has appointed Mr Horst Teltschik, the former foreign policy adviser to Chancellor Helmut Kohl, to its management board to head a new department handling environmental, transport, and trade issues.

Mr Teltschik, 55, played an important role in helping to shape policy ahead of German reunification in October, 1990, before leaving to become head of the foundation which con-

trols Bertelsmann, the big publishing, music, and electronic media concern.

The foundation concentrates on cultural and political research programmes. He will leave the foundation to join BMW in January.

His appointment reflects a growing awareness among German car companies of the need to develop a more comprehensive, co-ordinated, and far-sighted policy on international issues which affect their business, but are not directly connected with manufacturing.

# Coles Myer pays more on modest earnings rise

By Bruce Jacques in Sydney

COLES Myer, Australia's biggest retailer, has declared a scrip issue and higher dividend after a modest rise in earnings and sales in the year to July.

The company is making a five-for-four scrip issue and lifting the effective annual scrip-adjusted dividend to 17.33 cents a share from 16.44 cents, after net profits edged ahead to A\$370.7m (US\$266.6m) from A\$368.2m.

Sales rose 1.6 per cent to A\$15.18bn from A\$14.94bn and Mr Peter Bartels, chief executive, said the company's performance in the early weeks of the current year gave cause for optimism.

"In maintaining our profitability this year we were significantly assisted by reduced debt, lower interest rates and excellent cost control at the

corporate level," he said.

Mr Bartels said the company had reduced its total debt to A\$607.5m in the year from A\$1.24bn. With cash proceeds from the sale of New Zealand-based Progressive Enterprises during the year, net debt was reduced by 65 per cent to A\$433.4m.

Net interest expense was down from A\$167.0m to A\$88.1m.

Among the group's best performers was its core department store division, lifting pre-tax profits to A\$163.1m from A\$157.8m, but supermarket earnings fell to A\$179.0m from A\$199.3m. K mart earnings dived to A\$94.5m from A\$155.7m.

The result followed a tax provision of A\$200.4m (A\$201.1m previously) and depreciation A\$277.2m (A\$255.8m).



## Ceskoslovenske Aerolinie a.s.

has completed the first stage of its privatisation and issued new shares representing 40% of its expanded share capital subscribed by

Air France

and

European Bank for Reconstruction and Development

J.P. Morgan acted as financial advisor to Ceskoslovenske Aerolinie a.s.

JPMorgan

August 1992



## Ceskoslovenske Aerolinie a.s.

has acquired five Boeing 737-500 aircraft from the Boeing Corporation

J.P. Morgan acted as financial advisor to Ceskoslovenske Aerolinie a.s. in the acquisition and financing of these aircraft

JPMorgan

August 1992







## COMPANY NEWS: UK

## Cadbury beats forecasts with £126m

By Guy de Jonquieres,  
Consumer Industries Editor

CADBURY SCHWEPPE, the confectionery and soft drinks company, increased pre-tax profits by 13 per cent from £112m to £126m in the six months to June 13, helped by a strong performance in American beverage markets.

The company said the result, which exceeded analysts' forecasts of about £120m, was achieved despite difficult economic and trading conditions in all its main markets and the weak dollar.

The adverse impact of

exchange rates in the second half was expected to affect full-year results by 4 per cent.

Mr Dominic Cadbury, chief executive, said the company was "cautious but confident" about the outlook for the second half; much would depend on trading over the Christmas period.

He expected confidence to recover earlier in the UK among consumers than among retailers, who had responded to recession by tightly controlling stock levels.

The company confirmed that it had looked at the French

mineral water assets which the European Commission was forcing Nestlé to sell, but said the price was unrealistically high.

Sales in the first half rose to £1,476m (£1,420m). Earnings per share of 10.27p (10.16p), reflected dilution due to the recent share issue.

Trading profit in the Americas rose 51 per cent to £26.8m (£16.9m), helped by the acquisition of Agnès Minerals in Mexico, a reorganisation of US operations and improved productivity at the Mott's Juice business.

However, confectionery prof-

its fell by 2 per cent.

In the UK, trading profit rose to £61m (£51.8m). A late surge in demand due to good weather helped the Coca-Cola-Schweppes Beverages joint venture raise profits by 63 per cent, while confectionery benefited from strong Easter sales. However, chocolate sales volumes fell 4 per cent in a declining market.

In the rest of Europe profit declined by 32 per cent to £20.7m (£30.5m), reflecting tougher competition in beverages in France and poor weather in Spain.

Cadbury also increased mar-

keting expenditure in confectionery in response to product launches by Nestlé.

The contribution from the Pacific Rim contracted 13 per cent to £25.2m (£28.7m) on an 8 per cent drop in sales, reflecting poor weather in Australia and tougher conditions in Japan.

Rising drinks sales in South Africa raised profit in the rest of the world to £28m (£25.9m).

Net debt, at £491m, was £25m lower than a year earlier. The interim dividend is raised to 3.3p (3.2p).

See Lex

## Walker creditors' meeting adjourned for two weeks

By Maggie Urry

MR GEORGE Walker, former head of the Brent Walker property and leisure group, survived another round in his fight to avoid bankruptcy yesterday when a meeting of his creditors was adjourned for two weeks.

Creditors have put in claims exceeding £150m. Mr Walker has proposed a voluntary arrangement which he said would give creditors more than they would receive under bankruptcy.

It would require a 75 per cent majority, by value, of creditors to accept Mr Walker's proposal.

Mr Michael Colman, of Harveys, Mr Walker's solicitors, said that creditors representing £40m of debts, just over 25 per cent, had indicated opposition.

Mr Raymond Hocking, an insolvency partner of Stoy Hayward, who was appointed by the court to investigate Mr Walker's proposal and who would supervise the voluntary

arrangement if agreed, had decided that the voting was too close to put Mr Walker into bankruptcy yesterday.

He is to spend the next two weeks examining the claims again to decide exactly how the votes should split between creditors.

Under the voluntary arrangement, Mr Hocking has estimated the creditors could recoup £14.7m whereas only £26,767 would be available if Mr Walker was declared bankrupt.

Mr Walker has promised to give half his after tax income from his new job, as chief executive of a company recently incorporated in the CIS, to creditors for the next three years. He expects an income in 1993 of £100,000.

He has also pledged his 1.5m shares in Brent Walker and shares in two private companies, two properties, his one-sixth share in an apartment in Switzerland, and the proceeds of a legal claim in France expected to produce £14.5m.

He has promised that any other assets he had would go to creditors as well, such as the proceeds of claims against Brent Walker which would not proceed if he was declared bankrupt.

Mr Walker said his house in Essex was in his wife's name because it had been a wedding present from her father in 1964, when it had cost £3,000.

Mr Walker said that the creditors which opposed the arrangement were the banks - including TSB Bank, Standard Chartered, Lloyds, Svenska, Credit Suisse and Hill Samuel - which were also the main bankers to Brent Walker.

He said he thought these banks opposed the arrangement because they believed he was lying about his assets.

In the proposal put to creditors he said that any material non-disclosure would be a ground for default on the arrangement and the supervisor or any creditor could then present a bankruptcy petition against him.

## Glaxo's export sales advance 31% to £837m

By Paul Abraham

SIR PAUL GIROLAMI, Glaxo's chairman, was in expansive mood yesterday as he announced a 12th year of rapid growth in profits and sales.

The £700m increase in turnover was greater than the sales of the whole group less than 10 years ago, he pointed out. Meanwhile, the group's exports from the UK increased 31 per cent from £541m in 1981 to £837m in 1992.

Such growth was impressive said Mr Ernest Mario, deputy chairman. This was particularly true when Zantac, the world's best-selling drug, was losing market share. The drug, with sales of £1.81bn, represented 44 per cent of group sales, and this percentage would fall as the product continued to mature, said Mr Mario.

Sales of Zantac, an anti-ulcer drug, nevertheless, increased 18 per cent (9 per cent at constant exchange rates). In the US sales were up 18 per cent in local currency.

Mr Mario said the increase in Zantac sales was partly the consequence of an expansion of the US sales force by 500 representatives in anticipation of the licensing of Imigran, a migraine treatment also known as Imitrex. While waiting for the drug to be licensed,

they were marketing Zantac.

Sales of respiratory drugs increased 34 per cent to £964m, representing 24 per cent of group sales. Sales of Ventolin, an asthma medicine, increased 15 per cent at constant exchange rates. Sales of another asthma drug, Becotide, also known as Beconase, increased 26 per cent.

Revenues from Serenent, a long-acting asthma drug and one of Glaxo's most promising medicines, increased from £2m to £37m. Mr Mario said this was in spite of the fact it had not yet been launched in five of the 10 largest pharmaceutical markets - the US, Japan, Germany, France and Spain.

Antibiotics, representing 17 per cent of group sales, increased 12 per cent to £581m. In the US sales grew only 2 per cent at constant exchange rates because of pricing pressures, said Mr Mario.

Sales of Zofran, a drug used to prevent nausea in patients receiving radiation and chemotherapy, increased from £181m to £225m. The company is hoping to receive a licence for use with post-operative patients.

Imigran, Glaxo's controversial migraine drug, had sales of £43m. Mr Mario said he was pleased with the patient acceptance of the drug, which is yet to be licensed in the US, Japan and Germany.

See Lex

## Enterprise first-half plunge to £34.6m gets market welcome

By Neil Buckley

SHARES IN Enterprise, the UK independent oil company, yesterday jumped 19p to 317p, in spite of the company's announcement of a near-halving of after tax profits from £60.3m to £34.6m in the first half of 1992.

The company blamed the twin effects of recession and weak sterling oil prices for the fall. But the net income figure was close to the top end of analysts' forecasts, and with a maintained dividend of 6.5p, prompted a recovery in the share price. The shares had lost 13p in the last two days on fears of a dividend cut.

Mr Graham Hearn, chairman and chief executive, also said the company was on track almost to double its daily oil production to more than 260,000 barrels a day by 1995.

Enterprise is developing a number of North Sea fields to add to the 20 already producing. The two biggest, the Scott and Nelson fields in the northern North Sea, are due to come on-stream late next year and in 1994.

The company will also benefit from its interests in the Elf Enterprise joint venture, whose Piper, Seltre and Chantre fields are due to begin producing next year.

Production in the first half of 1992 rose by 5.9 per cent to 135,500 b/d, but a drop in average oil prices from £12.13 a barrel to £10.59 caused turn-

over to fall from £244.4m to £239.5m.

Net interest income also fell, giving an capital expenditure increase to £133.4m from £116.9m.

Despite the increase in spending, however, gearing dropped to 46 per cent from 49 per cent at the end of last year, due largely to a successful \$12m US preference share issue. Earnings per share fell from 13.2p to 7.9p.

## COMMENT

Barring disaster, Enterprise should almost double its oil production by 1995 and is comfortably financed. Its management also has a reputation for prudence and shareholder loyalty, which has helped the share price to hold up in an otherwise severely depressed exploration and production sector. Moreover, with Enterprise expected to run large cash-flow surpluses from the mid-1990s, patient shareholders should be rewarded by strong dividend growth. In the shorter term, the expected sale of its stake in the Hudson field for about £25m will be required if full-year forecasts of about £74m are to be achieved, while increased costs and expenditure may reduce earnings and raise gearing next year. But Enterprise is in a better position to maintain its dividend than, say, rival Esso. At a yield of 6.7 per cent, Enterprise is still seen as the stock to be in in the E&P sector.

## Emess passes dividend after 15% decline

By Roland Rudd

Emess, the lighting and electrical accessories company, has passed its interim dividend after a 15 per cent fall in pre-tax profits from £1.5m to £1.1m, for the half to June 30.

Mr Michael Meyer, chairman, said: "We will consider a payment of a final dividend in light of the full-year results."

Although the second half is traditionally the stronger period, Mr Meyer remained cautious.

He is pessimistic about the outlook for the US economy, which affects Alsy, the consumer lighting company. "Every month is a slog in the US," said Mr Meyer. "We are battling against an awful recession."

US losses fell slightly to £1.3m (£1.4m). Trading profits in the UK were unchanged at £4.1m.

Losses from the consumer lighting division rose to £1.1m (£800,000). Margins at its German business, Brilliant, continued to fall.

Trading profits at the commercial lighting division fell from £3.1m to £2.8m, and in electrical and graphics operations from £1.4m to £1.3m.

Borrowings were static at £33m, representing gearing of 67 per cent.

## Speculation rises over disposal of Habitat

By John Thornhill

FRESH SPECULATION that the Storehouse retailing group was considering selling its Habitat business circulated yesterday after a French newspaper reported that Au Printemps was interested in buying Habitat's French arm.

Storehouse has suggested in the past that it might dispose of Habitat if a suitable buyer could be found but declined to comment on the report. Au Printemps, the French retailer owned by the Pinault group,

also refused to comment.

Analysts expressed surprise that Storehouse should consider selling Habitat France individually - given that it was the most profitable part of the furniture business - but suggested that any sale could realise up to £100m.

Ms Julie Ramshaw, retail analyst at stockbrokers Morgan Stanley, said: "I do not believe that Habitat has a long term future with the group but I do not think there is any urgency about selling it."

See Page 25

## Dixons sees mild recovery

By John Thornhill

Mr Stanley Kalms, chairman of Dixons, yesterday confirmed anecdotal evidence of a mild recovery in UK consumer spending by telling shareholders that the electrical retailing group had shown a "more positive trend" in sales since early July.

However, he said there had been no significant changes in the group's other businesses, which span property development in Europe and electrical retailing in the US.

## As determined as BTR



## 1992 Half Year Results

	First half 1992	First half 1991
Sales	£4,310m	£3,228m
Profit before tax	£548m	£512m
Earnings per share	17.7p	17.4p
Dividend per share	7.75p	7.5p

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## 1992 First Half Net Profits Up 16%

CarnaudMetalbox continues to strengthen its financial performance.

## KEY FINANCIAL FIGURES in FF millions

	Half year 1992	Variation from first half 1991
Turnover	12,627	+ 1%
Operating profit	1,232	+ 8%
Profit before tax	970	+ 22%
Net attributable profit	549	+ 16%
Earnings per share	FF 6.80	+ 15%
Cashflow per share	FF 15.70	+ 14%
Net debt	5011	- 15%

"Our financial performance is beginning to respond to the strategies and operating priorities we have put in place. So, unless trading conditions take a turn for the worse, CarnaudMetalbox should achieve solid financial progress for the year."

B. Jürgen Hintz, CarnaudMetalbox President and Chief Executive Officer

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Europe's Leading Packaging Group

## COMPANY NEWS: UK

## Coats Viyella ahead to £53m

By Daniel Green

TRADING CONDITIONS in the textiles and clothing industry remained "harsh", Sir David Alliance, chairman of Coats Viyella, Europe's biggest textiles manufacturer, said yesterday.

He warned he could not see a recovery in the UK until the summer of 1993 and that trading would be difficult in the rest of the world outside the US and Far East. The shares fell 10p to 155p.

The statement accompanied Coats' results for the six months to June 30 which showed higher operating and pre-tax profits following last year's acquisition of Tootal, the thread maker.

The acquisition helped push

turnover from £277m to £1,028m, while operating profits rose 37 per cent to £89.2m (£50.6m). However, rising debt and interest charges held profits at the pre-tax level to £52.9m (£48.1m).

The increased number of shares in issue as a result of the deal meant that earnings per share were unchanged at 4.3p. The interim dividend is held at 3p.

The Brazilian activities fell into the red, accounting for an overall loss of £700,000 for South America, compared with a profit of £5m. The company blamed high interest rates and inflation. It has spent about £3m in exceptional reorganisation costs in Brazil.

The benefits of the merger with Tootal came through

strongly in North America, which showed a 65 per cent improvement in operating profits, from £12.4m to £20.4m. The company merged its industrial and consumer thread interests and has gained in market share and margin.

North America was also helped by improvements at Dynacast, the precision engineering business. Operating profits rose from £8.4m to £10.7m.

The UK also saw a sharp gain, from £9.1m to £19.1m, thanks to cost cutting, including the closure in April of a shirt factory in Northern Ireland.

## COMMENT

There are a awful lot of losses in Brazil for Coats Viyella.

More restructuring costs are to come as the company switches production to Asia: Coats' sourcing of clothes from outside western Europe has risen from zero to more than 20 per cent in two years. Gearing is going in the wrong direction, the company is caught in an ACT trap, the UK economy is dreadful and cash flow is slow. Fortunately for Coats, the Tootal merger benefits are arriving and the US is producing cash. Next year, perhaps, a stronger dollar will make the US yet more valuable, help out over ACT and protect domestic markets a little. The company will be lucky to make £120m pre-tax for the full year, compared with £111m last year, and earn 11p a share for an above sector average p/e of 14.

## Ocean hit by falling demand for North Sea services

By Angus Foster

OCEAN GROUP, the freight, environmental and marine services company, yesterday reported a fall in pre-tax profits, from £23.2m to £20.8m in the six months to June 30.

The decline was mainly due to falling demand for offshore oil support services in the North Sea as oil companies cut spending.

This knocked operating profits from the company's marine services division, including the better performing tug business, to £12.6m from £13.1m.

Mr Nicholas Barber, chief executive, estimated North Sea offshore activity was 25 per cent down, compared with 10 per cent in South-east Asia.

Freight and distribution maintained operating profits at £10.5m (£10.8m).

Environmental services, including UK waste disposal and US laboratory testing, saw operating profits fall to £1.6m (£2.1m) as both markets declined.

The company's interest bill started to rise again to £2.8m (£2.4m). First half capital expenditure was £32m. Earnings fell to 9.4p (11.8p) but the dividend is maintained at 4.71p. The company's shares closed up 2p at 189p.

## COMMENT

As if depressed world trade and falling North Sea investment is not enough, Ocean now has to worry about the dollar's decline too. About 40 per cent of revenues are dollar related, either stemming from the US or from related currencies in South-east Asia. There was no marked effect in the first half, but if present rates continue there could be a £1.5m hit in the second half, even after taking into account the company's hedging strategy. The company rightly points to its mix of businesses and locations, which guarantee some respite from recession, and steps taken - in the US especially - to control costs and prepare for the upturn. Like everyone else, however, Ocean will just have to wait. Full year forecasts of £45m put the shares on a multiple of about 10. With currency worries flavouring the month, that looks about right.

## Booker disappoints market with slight fall to £32.6m

By Maggie Urry

BOOKER, the food distribution and manufacturing group, yesterday disappointed the market when it announced a slight fall in interim pre-tax profits from £32.9m to £32.6m. The dividend is unchanged at 7.5p.

The shares fell 2 1/2p to 325p on the news. Mr Jonathan Taylor, chief executive, said there was no sign of an end to recession and trading conditions were "very tough". However, he regarded the figures as "reasonably robust".

The group was responding to conditions by cutting costs and improving efficiency. "We must see the environment of today as the one we confront tomorrow and the day after, and must size ourselves accordingly," Mr Taylor said.

During the period Booker increased its bad debt provisions by 36 per cent to £8.4m, though Mr Taylor said this had been done on a conservative basis. There were also some one-off costs such as £1m for closing a delivered food depot at Bishop's Cleeve, Hertfordshire, although in total these were about £200,000 more than in the comparable period.

The figures covered the 24 weeks to June 13, a change in

the reporting period. In the six months to end-June, the old basis, pre-tax profits were estimated to have been £36m against £37.8m.

Group sales rose 4.2 per cent to £1.5bn and operating profits fell 1.5 per cent to £43.6m. The interest charge was £400,000 lower at £11m.

Pre-tax profits would have been £1.6m higher but for the weakness of the dollar. Profits were translated at £1.85 to the pound compared to £1.82 the previous year.

Pre-tax profits from the food distribution division fell from £15.5m to £12.7m. Catering customers in particular were hit by lower consumer spending. Since the period ended sales growth has weakened.

The agribusiness division, which includes chicken and turkey breeding, salmon farming, forestry and mushrooms, suffered a dip in profits from £9.7m to £9.4m.

The turkey business returned to profit, and an upturn in salmon prices is beginning to come through. However, the mushroom business had not recovered as much as hoped. There were delays in shipping product from Daxford, the seed busi-

ness.

Profits from fish and prepared foods jumped from £7.1m to £9.1m. The factories were working at high levels of capacity and sandwich sales were good as people eating out traded down.

Earnings per share dipped from 11.56p to 11.34p as the tax rate increased from 31.6 per cent to 32.4 per cent.

Mr Taylor said that the group's borrowings should be lower at the year end than at the end of 1991, when gearing was 76 per cent.

## COMMENT

Booker deserves a small prize for broadly maintaining profits when some other food related groups are suffering declines, but the second half will be more of a test. Forecasts are picking £100m as a round number, against £103.9m last time, which would give a p/e of about 9.4. The yield on a maintained dividend is 8.9 per cent, although cover is a bit thin at 1.6 times. The rating is fair enough as things stand, but Booker's shares will never perform well until it shows it can turn its well-rehearsed potential into reality. A hard act in a recession, but one Booker should be doing more to per-

## Sema near to France Telecom link

By Paul Taylor

SEMA GROUP, the Anglo-French computing services company, yesterday announced an agreement under which France Telecom, the state-owned telecommunications company, would acquire a minority equity stake as part of an industrial partnership arrangement.

Mr Pierre Bonelli, Sema's chairman, was in London to announce the interim results. He stressed that the agreement was subject to approval by the French government, and details could not be announced until this had been granted.

Sema is anxious to develop its telecommunications business, which accounts for just 7 per cent of turnover. It confirmed in July that it had been discussing a partnership with France Telecom. At the same

time, Sema disclosed that Telecom was holding discussions with Paribas, the French bank which holds a 39 per cent stake in Sema.

If the agreement is approved, Paribas's shareholding is expected to be transferred to a holding company, which would be owned jointly by the bank and Telecom, but with Paribas as the majority shareholder.

Sema's interim results showed an 18 per cent increase in pre-tax profits to £7.73m (£6.57m) in the six months to June 30.

Mr Bonelli said the gain reflected improved profitability in several markets, where, despite difficult trading conditions, the strategy of focusing on systems integration had enabled Sema to increase its share.

Turnover from continuing operations in the core busi-

nesses of systems integration, facilities management and software products, rose to £185.4m (£177.4m), excluding £23.5m in the 1991 period attributable to the Sofres market research business, since sold.

The contribution from the systems integration business grew by 11 per cent to £149m (£134m) while facilities management turnover rose to £27m (£25.6m) and products put in £19.4m (£18m).

Following the sale of Sofres, the UK is Sema's largest market. It accounted for 44 per cent of turnover in the first half.

Retained profits were boosted by the £15.4m after tax profit on the Sofres sale. However, "significant cash-flow improvements," together with the Sofres disposal, enabled Sema to remove all debt from its balance sheet and

show net cash of £28m at the end of June, compared to £18m of net debt at the end of 1991.

Earnings per share increased to 5.3p (4.7p) from which Sema is paying a dividend of 1.1p (1p).

Mr Bonelli said Sema had managed to improve profitability in France, Spain and in its joint venture with BAE which was breaking even. Efforts to improve profitability in other areas, including the UK systems business, were continuing.

In addition he reaffirmed that Sema was hoping to finalise a partnership agreement shortly for its costly I-Line industrial software pack-

The project, which is being developed by its German subsidiary, been consuming large amounts of research and development expenditure.

## Brit Mohair slips to £1m at halfway

PRE-TAX profits of British Mohair declined from £1.18m to £1.02m over the half year ended June 30.

Turnover amounted to £19.6m (£18.5m) with exports accounting for £5.03m (£4.89m). Textiles continued to operate at reduced levels and profit margins were eroded. However, the engineering subsidiaries and other activities increased both turnover and profits.

Trading conditions in textiles were expected to remain difficult in the second half. But the directors said the improvement in profits from specialised engineering should be maintained and they expected group profits for the second six months to be similar to those of the first half.

## Correction

## Avonside/CSI

Cannon Street Investments has no stake in Avonside Group, the housebuilder it floated earlier this year. Yesterday's edition of the FT stated CSI had floated 69 per cent.

## Imports hit Bernard Matthews

By Paul Taylor

LOW PRICE turkey imports from the European Community and US producers were blamed yesterday by Bernard Matthews, the Norfolk-based meat processor, for a 66 per cent drop in interim pre-tax profits. In the six weeks to July 13 the group reported profits of £2.18m compared to £6.16m in the 1991 period, and halved its interim dividend to 1p (2p).

Turnover fell by 10.3 per cent to £85.7m (£78.26m) and earn-

ings per share fell to 1.35p (3.33p).

Profits were also depressed by interest charges of £28,000 compared to interest receipts of £157,000 in the 1991 period. Mr Bernard Matthews, chairman, said the sharp reduction in profits was expected following his profits warning earlier in the year.

He said that following poor Easter sales the group was experiencing extremely difficult trading conditions, especially with sales of whole turkeys and turkey meat. "These

difficulties are being caused by the very low prices offered on the UK market by both EC and US producers." Although the company has successfully launched a range of new value-added products, and is setting up a marketing organisation to introduce its branded products into other EC countries, Mr Matthews said that in the short term the UK market is likely to remain depressed. He warned that full year profits will probably be less than half those in 1991 when profits were £13.2m.

## Severfield-Reeve dives into the red

Severfield-Reeve said that unrealistic pricing levels within the construction industry had forced the structural steelwork group into the red in the first half.

For the six months to June 30 a pre-tax deficit of £388,000 was reported on sales of £8.66m. That compared with a profit of £505,000 on sales of £8.84m.

Losses per share amounted to 3.65p (earnings 3.24p) and the USM-quoted group is passing its interim dividend - 1p was paid previously.

## TLS Range cuts deficit to £0.08m

Losses at TLS Range, the USM-quoted vehicle rental group, were cut from £287,000 to £77,000 pre-tax for the half year ended June 30. Turnover was virtually static at £4.7m.

Net finance charges accounted for £243,000 (£276,000). Losses per share emerged at 0.5p (1.58p). There is again no interim dividend.

Increased demand and improved margins achieved in the first half were not maintained in July and August and further steps were taken to reduce overheads.

## Recession barks rise at Sirdar

SIRDAR reported a 9.5 per cent rise in annual pre-tax profits, from £4.61m to £5.06m, but said that pronounced recessionary conditions in the final quarter meant that progress was not as good as had been expected.

Sales at the textiles company in the year to June 30 fell to £52m (£53.5m), but costs and overheads were cut to £46.2m (£48m) and interest payable declined to £910,000 (£1.15m).

An unchanged final dividend of 3.5p maintains the total at 5.15p on earnings per share of 5.85p (5.25p).

Erith reports losses of £229,000

Despite "a further deterioration in the trading climate" Erith, the builders merchant, achieved a slight improvement at the pre-tax level in the six months to end-June.

Losses were £229,000, compared with £332,000 in the second half of last year and profits of £356,000 at the interim stage last time. Turnover fell by £687,000 to £33.5m.

The company said the promised uplift in demand for building materials following the general election in April had evaporated, while losses arising from bad debts had once again been a large cost feature, amounting to more than 2 per cent of turnover.

Losses per share came out at 0.24p (0.55p earnings) and an interim dividend of 0.35p (1.3p) is declared.

## Lower interest costs push up Porvair

Reduced interest charges following February's rights issue were behind a 13 per cent pre-tax profit rise to £768,000 at Porvair in the six months to May 31.

The improvement, from £570,000, was scored from sales little changed at £7.88m. Interest costs accounted for £143,000 (£225,000).

The interim dividend is lifted to 1.2p (1.1p) on unchanged earnings per share of 4p.

## Wills recovery continues

Wills Group, the engineering equipment distributor, continued its improvement following reconstruction.

After a return to profits of £154,000 at the halfway stage, the pre-tax figure for the year to June 30 came out at £219,000 on turnover of £15m.

In the 18 months to June 30 1991, a £1.49m loss was incurred on sales of £22.7m.

The board is proposing to return to the dividend list for the first time in four years with a final of 0.1p. Earnings were 0.77p basic (losses 17.7p) or 0.64p fully diluted.

## Rathbone rises 24% and makes purchase

Rathbone Brothers, the banking and asset management group, reported interim pre-tax profits ahead 24 per cent. Mr Oliver Stanley, chairman, said that there had been a considerable increase in the funds under management.

The company, which moved up from the USM to a listing during June, is acquiring Hilbre Investment Management, which will add £90m to client portfolios bringing the total to £780m. The £131m consideration is being satisfied by shares.

Profits for the six months to June 30 were £2.02m (£1.63m) on turnover of £7.84m (£5.88m). Earnings were 8.03p (6.85p). The interim dividend is raised from an adjusted 1.25p to 1.5p.

## James Beattie shows decline of 26%

James Beattie, the Wolverhampton-based stores group, suffered a 26 per cent fall in profits, from £23.7m to £17.9m pre-tax, for the six months to July 31.

The company blamed difficult trading conditions and a lack of customer spending. "The continuing and obstinate refusal of the economy to shake off the inertia of the last

## NEWS DIGEST

The company, which manufactures microporous plastics for clothing and industrial applications, moved from the USM to the main market in February.

Two years remains an abiding frustration," directors said. Turnover, excluding VAT, rose to £35.5m (£33m) reflecting increased selling space, but investment income fell to £1.4m (£1.8m).

Earnings were 2.51p (3.4p) per share. The interim dividend is maintained at 1.4p.

## Commercial Bank of London falls 20%

Commercial Bank of London reported a 20 per cent fall in pre-tax profits, from £389,246 to £310,913, in the six months to June 30.

The result was struck on gross income down by £228,000 to £1,717,000.

Tax took £102,000 (£136,000) leaving attributable profits of £208,913 (£253,246). Earnings came out at 20.8p (25.3p).

## Reece tumbles £183,000 into red

Reece, the cycle manufacturer which also has interests in glass and brick making machinery, reported a pre-tax loss of £183,000 in the half year to June 30.

That compared with profits of £540,000 last time and came from turnover down from £6.93m to £6.56m. The company said that were it not for the acquisition of the distribution depots from Harding Group in the second half of last year, turnover would have fallen further still.

Cost-cutting measures resulted in a reduction in staffing levels from 259 to 218. Working capital was also being reduced with particular emphasis on stock reduction.

Losses per share came out at 0.14p (0.35p earnings). The interim dividend is passed - 0.1p was paid last time.

## IBC returns to black after restructuring

International Business Communications (Holdings), the publishing and conferences company, returned to profits in the first half of 1992, the first figures to reflect the effects of restructuring in January.

On turnover slightly lower at £27.5m (£27.9m) pre-tax profits were £572,000, against losses of £2.44m. Operating profits rose

51 per cent to £3,28m (£2.18m) and interest charges fell to £1.28m (£3.57m) as a result of the restructuring.

Earnings were 0.3p (losses 1.9p). No dividend can be paid because of accumulated losses.

## BZW Trust net assets decline

Net asset value per share of BZW Convertible Investment Trust slipped from 97.15p to 94.44p over the 12 months to July 31.

Available revenue amounted to £4.32m (£4.45m), equal to earnings of 8.54p (8.8p). A final quarter dividend of 3.3p makes a 7.8p (7.7p) total.

## Ferrum declines sharply to £424,000

As forecast at the December year end, pre-tax profits of Ferrum Holdings, the engineering group, showed a marked decline, from £1.42m to £424,000, in the six months to June 30. Turnover fell from £24m to £19.2m.

In spite of the fall an unchanged interim dividend of 1.1p is declared. The company said that although the dividend was uncovered by earnings of 0.97p (3.83p) per share, it was well covered by cash flow.

## Robinson Bros sees weak second half

Robinson Brothers (Rydens Green), the unquoted West Bromwich-based chemicals group, reported pre-tax profits of £736,000 for the six months to June 30.

The slight decline from the comparable £758,000 came on turnover of £12.9m (£12.1m). Directors described trading as "fitful" and anticipated a weaker second half.

Earnings per £1 share were unchanged at 25p.

## European Project earnings fall

Net asset value per share of the European Project Investment Trust, now managed by Murray Johnstone, stood at 44.6p at June 30. That compared with 45.1p 12 months earlier and with 45p at the December 1991 year-end.

Available revenue for the half year to June 30 fell to £45,588 (£59,982), equal to earnings of 0.18p (0.33p). The trust, which is proposing a name change to Murray European Investment Trust, does not pay interim dividends.

## Gowings back in the black

Gowings, the motor dealer and leisure group, swung from losses of £531,000 to profits of £172,000 pre-tax for the half year ended June 30.

The result was bolstered via an exceptional £170,000 credit (debit £150,000) representing a gain on the sale of a residential park in Oxfordshire.

Turnover reached £26.8m (£23.5m) with the motor contribution up at £25.5m (£20.3m) helped by a "significant" increase in new car sales.

The interim is maintained at 1p from earnings of 1.62p (losses 5.5p).

## Acquisitions and exports lift PCT

A good export performance, together with the benefits of its acquisition programme, helped PCT Group advance 65 per cent in the first half to June 30.

Pre-tax profits at the USM-quoted group jumped from £560,200 to £925,000 on sales ahead from £9.39m to £10.7m. The group is involved in the marketing, hire and development of power tools and welding equipment.

The interim dividend is maintained at 2.5p on earnings per share of 7p (7.9p).

## London Forfeiting well ahead

Pre-tax profits of the London Forfeiting Company rose from £5.61m to £8.42m for the six months ended June 30. Trading income improved by £2.98m to £10.9m.

Bank interest receivable and income from certificates of deposit totalled £1.92m (£4.38m) while interest payable was cut to £212,000 (£2.29m).

Earnings worked through at 6.41p (5.02p) and the interim dividend is stepped up to 2.5p (2.65p).

The company's shares are traded on the USM.

These Securities have been sold.  
This announcement appears as a matter of record only.

June, 1992

## Redcastle plc

(a subsidiary of The Burton Group plc)

£100,000,000

Zero Coupon Secured Bonds 1997

Issue Price 60.98 per cent.

Lead Manager

S G Warburg Securities

Co Managers

NatWest Capital Markets Limited

Citicorp Investment Bank Limited

Secured by conditional sale contracts with

Scottish Amicable Life Assurance Society

CIN Properties Limited on behalf of the British Coal Pension Funds

Advised by JLV Finance

Introduced by Momentum Derivatives

Solicitors to the lender

Transaction Adviser to The Burton Group plc

Clifford Chance

Citicorp Investment Bank Limited

CITIBANK

## COMPANY NEWS: UK

# Bunzl on recovery road with 8.5% gain

By Roland Rudd

BUNZL, the paper and packaging group under new management for the last year, reported a 8.5 per cent increase in profits for the half year to June 30.

The rise in pre-tax profits, from £20m to £21.7m, was the first since 1988. A series of disposals led to a fall in sales to £619.2m (£633.4m).

Mr Anthony Haggood, chief executive, said: "This is the first solid step to the road to recovery. After a year we have rationalised the businesses, disposed of the margin companies and made a few selective acquisitions."

Trading profit before exceptional items increased to £27m (£26m) with margins rising from 3.7 per cent to 4.4 per cent.

Bunzl's biggest earner, the paper and plastics division, reported increased profits of £13.7m (£12.6m). A cost reduction programme in its key US subsidiary helped push margins up by 1.4 percentage points to 5.3 per cent.

Profits from fine paper fell from £3.5m to £7.8m. The group is expanding in Germany but the overall fine paper market is declining.

Building supplies profits were £1.1m (£700,000) helped by closing loss-making plants. However, return on capital was 4.3 per cent, significantly lower than the double figures achieved by the other divisions. Mr Haggood said the business still had to prove itself.

Cigarette filters fell slightly to £4.1m (£4.2m). The division is to open a US plant next year.

Plastic products rose to £3.5m (£3m), as the improved performance from US businesses offset disappointing results in Brazil.

Borrowings over the year to June 30 were reduced from



Anthony Haggood: disposing of margin companies

£126m to £97.7m, representing gearing of 47.8 per cent.

Earnings per share rose from 2.7p to 3.2p. The dividend is maintained at 1.5p.

## COMMENT

It is not often that a company which disappointed the City in the early eighties produces better-than-expected results in the difficult nineties. A well planned disposal programme has enabled the group to concentrate on its core businesses. Mr Haggood has made it clear that the weakest parts of the group, such as building materials, remain on trial. In the meantime paper and plastics will continue to expand. With forecast pre-tax profits for the year of £44m, giving earnings per share of 6.5p, the shares, up 2p to 89p, are on a slightly higher than average prospective multiple of 13.5. This fac-

tors in the weak dollar, affecting a little more than half of pre-tax profits. It still does not look like a screaming buy but the potential to move forward means the shares are, at the very least, fairly valued.

# Pendragon increases 7% to £2.17m despite disappointing car sales

By Angus Foster

PENDRAGON, the luxury and executive cars dealer, yesterday announced a slight increase in interim profits, despite disappointing sales of new and used cars.

Pre-tax profits increased 7 per cent, from £2.02m to £2.17m. However, this did not match growth in turnover, which was up 31 per cent at £101m (£77m) due to acquisitions.

Mr Trevor Finn, chief executive, said new car sales volumes were higher, but margins had fallen, while sales of used cars declined.

"People are buying, but there are very few emotional purchases taking place. It is all sensible, commercial buying," he said.

Business cars such as Mercedes Benz and BMW had increased sales. But luxury cars - where margins are higher - such as Rolls-Royce and Ferrari continued to be poor.

With customers delaying purchases, cars were getting older and requiring more after-sales service. This division increased its proportion of group revenues to 56 per cent, compared to 44 per cent two years ago.

Contract hire was flat at about 6 per cent of turnover.

Operating profits increased 15 per cent to £3.12m (£2.72m).

Higher borrowings to fund acquisitions pushed interest costs to £949,000 (£698,000). Mr Finn said borrowings would rise to between £8m and £9m by the year end, less than 30 per cent of shareholders' funds of £35.2m.

The interim dividend is lifted 10 per cent to 2.2p (2p) on earnings of 5p (5.5p).

Pendragon also announced the acquisition of two dealerships - one for Honda and the other for Aston Martin - for about £1.3m. The company now has 45 franchises, including two in Germany, compared to 23 two years ago.

# Lower Exchequer Levy helps LWT rise to £14m

By Raymond Snoddy

DESPITE THE recession LWT (Holdings) increased pre-tax profits to £13.7m in the six months to June 30, an advance of 41 per cent on last time's £9.78m.

An important factor in the rise, however, was a £2.8m drop in Exchequer Levy. Profits before levy and interest increased by 9 per cent, from £20.5m to £22.7m.

Mr Christopher Bland, chairman, said the results reflected "higher advertising revenue, sponsorship and programme income and continued tight control of overheads, production costs and cash".

London, and LWT in particu-

lar, has been increasing its share of television advertising. In the year to July 1992 LWT's share was 12.024 per cent, compared with 11.775 per cent in the previous year with each 0.1 percentage point accounting for about £1m in revenue.

Mr Bland also said the company planned to write-off its £3.2m share of start-up costs on the London News Network and Good Morning Television against the profit and loss account.

LNN is the 50-50 joint venture with Carlton Television for a seven-day London television news operation. And LWT has a 20 per cent in GMTV, which takes over the commercial breakfast licence from

TV-am on January 1. LWT is also expected to sell its 5 per cent stake in Independent Television News when new shareholders are brought into the organisation.

Mr Bland expected "a satisfactory result for the year" although it remained difficult to predict advertising revenue, there being no real sign of an end to the recession.

A fixed preferred dividend of 1.98p was paid to holders of preference and management shares at the end of June. The next dividend at the end of the year will reflect the previously announced 50 per cent increase in the fixed preferred dividend. The share price closed 13p higher at 254p.

# Hall Engineering advances to £1.55m

DESPITE continuing difficult trading conditions in the UK and South Africa - its two main operating areas - Hall Engineering (Holdings) achieved a 33 per cent pre-tax profits advance to £1.55m in the six months to June 30.

Turnover of £64m compared with £79.4m.

Total borrowings rose but

were still some £7m lower than at the corresponding stage last year following good cash generation in the second half of 1991. This led to a fall of almost £1m in interest payable to £1.5m.

The company said the continuing predominance of profit from overseas had led to a build up of advance corpora-

tion tax which could not be set off against current mainstream UK tax.

While the amount paid remains available to be utilised, the company considered it prudent to write off a large part of this year's ACT costs against profits. This has led to an assumed rate of tax for the year of 55 per cent.

Earnings per share fell to 2.37p (2.69p) and the interim dividend is maintained at 3.3p.

Mr Richard Hall, chairman, said the group continued to enjoy a high level of reward from its investments throughout the world, in particular the associated companies in the Pacific Basin.

# Bibby seeks £36m to help relieve Caterpillar debt

By Jane Fuller

J BIBBY & Sons, the industrial and agricultural group, yesterday launched a £36.6m rights issue to relieve debt taken on with the acquisition of Spain's sole Caterpillar distributor.

Bibby is 78.9 per cent-owned by the South African Barlow Rand group, which is taking up its full entitlement in the 1-for-4 issue. The 115p issue price compares with yesterday's opening of 136p. At the close 16p had been shed.

Mr Richard Mansell-Jones, Bibby's chairman, said the rights issue was envisaged earlier this summer, when it raised its bid for Finanzauto to £18.5m (£8m) to clinch success.

Including more than £130m of Finanzauto's borrowings

and contingent liabilities, the combined group's gearing had risen to about 150 per cent on net debt of more than £240m.

By the end of the financial year in September, with the help of the issue proceeds, gearing would be down to about 80 per cent, he said. Further reductions would be achieved by cutting stock and selling non-core assets.

The directors planned to maintain the final dividend at 6.5p to make an unchanged 9.78p total.

In the six months to June 30, Finanzauto made pre-tax profits of £10.6m, down from £17.9m. That reflected a 50 per cent fall in the market for earth moving equipment in Spain.

The balance of the rights issue has been underwritten by Cazenove.

# GLOBAL COMMITMENT TO BEVERAGES AND CONFECTIONERY

## 1992 FIRST HALF RESULTS (unaudited)

"I am pleased to report interim results which show progress overall despite difficult economic conditions in major markets and the impact of adverse exchange rates.

Sales	£1,469.9m + 3.5%
Trading Profit	£140.5m + 4.2%
Pre-Tax Profit	£126.0m + 13.0%
Earnings per share	10.27p + 1.1%
Dividend per share	3.30p + 3.1%

Conditions in our major markets remain difficult and current exchange rates will have a more negative impact in the second half.

However, we have a resilient business with excellent brands, geographical spread, strong management and a sound balance sheet. I am sure that we will continue to win a good share of the business available to us."

*Graham Day*  
Sir Graham Day, Chairman

# Cadbury Schweppes

## MANAGEMENT PROVEN IN THE MARKET PLACE

THE CONTENTS OF THIS STATEMENT, FOR WHICH THE DIRECTORS OF CADBURY SCHWEPPE'S PLC ARE SOLELY RESPONSIBLE, HAVE BEEN APPROVED FOR THE PURPOSE OF SECTION 57 OF THE FINANCIAL SERVICES ACT 1986 BY ARTHUR ANDERSEN, AN AUTHORISED PERSON.

**intrum justitia**

(Registered in Curaçao, Netherlands Antilles)

### NOTICE TO SHAREHOLDERS

The Managing Board of INTRUM JUSTITIA N.V., a company incorporated and existing under the laws of the Netherlands Antilles, of which the registered office is located at Chumaceirakade 3, Willemstad, Curaçao, Netherlands Antilles, wishes to announce that it has been decided with the approval of the Supervisory Board to distribute an interim dividend for the 1992 financial year of 1.0 pence per ordinary share.

As of November 5, 1992 the interim dividend on ordinary shares will be payable at the following addresses:

**Paying Agents**  
Kredietbank S.A. Luxembourg  
43, Boulevard Royal  
L-2555 Luxembourg  
Luxembourg  
Harris Bank Limited  
41 Tower Hill  
London EC3N 4HA  
United Kingdom

Bearer Shareholders are asked to submit Coupon No 9 to the paying agents for collection of the dividend.

Furthermore shareholders are hereby informed that the Semi-Annual Report on the Group's activities and results during the first six months of the 1992 financial year is available.

The Semi-Annual Report can be obtained at the registered office of the Company, the paying agents as mentioned above and at James Capel & Co Limited, 6 Bevis Marks, London EC3A 7JQ, United Kingdom.

Intrum Justitia N.V.  
September 11, 1992.

### COMMERCIAL BANK OF LONDON PLC RESULTS FOR SIX MONTHS ENDED 30th JUNE 1992 (UNAUDITED)

The profit attributable to Shareholders for the half year ended 30th June 1992 amounted to £208,813.

It is anticipated that the profit for the full year to 31st December 1992 should show an improvement.

	6 months to 30th June 1992	6 months to 30th June 1991
Gross Income	£1,872,746	£2,100,753
Profit before taxation	310,813	389,246
Taxation	102,000	136,000
Profit attributable to Shareholders	208,813	253,246
Amount absorbed by dividend	£208,813	£253,246
Earnings per £5 share	20.8p	25.3p

No interim dividend is to be paid.

Copies of this announcement will be available to the public from the registered office of the Company, Bankside House, 107-112 Leadenhall Street, London EC3A 4AE.

## RECRUITMENT

## JOBS: Evidence that vocation does not mix well with vacation, nor even with intermediary ingestion

"Am I contaminating you?" asked the Jobs column, just back at work from four weeks' leave. "Hm," said its partner Bill Hall, without looking up. "I ask in the cause of serious scientific inquiry," I persisted. "Hm," he replied, continuing to peer at his screen.

What prompted my query was Diane Summers' report in last Thursday's FT on research by the Cedar International consultancy into the way holidays affect productivity. The broad finding - that the effects are dire - will of course be no surprise to anybody. But *how* dire they are come as a bit of an eye-opener.

The productivity-dip is evidently so bad that for every working day we have off, our employer in effect loses two. Moreover, while it startled me, that estimate seemed perfectly plausible to psychologist Cary Cooper of University of Manchester Institute of Science and Technology. "There's a sort of holiday infection that contaminates everyone around the person who has been away," he explained.

Hence my question to my partner. After all, if I was contaminating him, the best way to reduce the productivity damage would surely be for me to go on holiday again until his next break was due. Alas to judge by the response, far from being infected, he hadn't even registered that I was back.

Whereupon I lapsed into silent contemplation of another of Professor

## How to be an ever efficient worker

Cooper's ideas. It's that we would do well to stop having a long holiday once a year and instead take shorter breaks more often. The result, he thinks, would be less preoccupation with preparations beforehand and less rustiness afterwards. So the cost in lost productivity to our employers would be lower while we'd be just as well recuperated.

Well, while that's perhaps so in broad terms, personal experience again rebuts it. Whatever lengths of holiday the Jobs column has taken - ranging from three days to six weeks - the productivity losses have been much the same, and the recuperative effects barely if at all detectable.

But, as a one-man sample is no test of any hypothesis, I raked through the paper mountain that used to be my desk seeking research on shorter holidays. Unfortunately, the only example I could find concerns an extremely short one (although some make it last far longer than others): namely, the lunch-break.

It crops up in an article by Peter Wright of Edinburgh University in the British Psychological Society's latest journal. Here is Dr Wright's account of various researchers' findings on the effects of lunch-breaks on productivity.

"Errors of shift workers show a sharp increase at 2pm as do instances of

falling asleep at the driving wheel and other measures of driving efficiency.... Blake (1971) reported a performance decrement after lunch on a wide range of tasks - signal detection in a vigilance task, mental arithmetic, disjunctive reaction time, and card sorting."

Then, for good measure, he adds a stomach-churner (which I've italicised): "Craig (1966) found a clear post-lunch dip in efficiency of detecting sensory events, but no change in performance when food was not consumed."

So it seems that, if efficiency's the aim, we should not only take shorter holidays, but stop eating between work-stints to boot.

HAPPILY another kind of hunger - the jobs-famine - is at least slightly eased by a post in Abu Dhabi offered by recruiter Andrew Duncan for an international investment concern. Being unable to name it, he promises to abide by any applicant's request not to be identified to his client at this stage.

He seeks an information technology specialist to take charge of systems development. So candidates need management skills besides full technical knowledge of IT applications outside as well as in the investment field. Salary about £75,000 tax-free. Family housing

among other typical expatriate perks. Inquiries to Andrew Duncan Associates, Oxford House, Oxford Rd East, Windsor, Berkshire SL4 1EF; telephone 0753 832144, fax 0753 832165.

NOW to the underlying table giving a selection of the latest indicators of world-wide living costs compiled by P-E International management consultants. Anyone wanting the full survey, which

covers many more places than the 80 I've included and costs £210, should contact P-E's Simon McBride at Park House, Wick Rd, Egham, Surrey TW20 6HW; tel 0784 434411, fax 0784 471404.

The cost indices all refer to specific cities instead of countries as a whole, and are based on prices in London at 100. Alas, owing to problems in devising an internationally consistent measure of housing costs, they are omitted.

Another snag is that, since such surveys are time-consuming exercises, the findings are not bang up to date. The price-levels reflected by the index figures are those which prevailed last April. Even so, the inflation rates are the latest available, and the indices are calculated at the exchange rates in force on August 31.

To update for subsequent changes, take the exchange rate in the table, divide it by the later rate, and multiply the result by the table's index figure.

Michael Dixon

Place	Living cost index	Inflation %	Exchange rate £1 =	Place	Living cost index	Inflation %	Exchange rate £1 =
Japan, Tokyo	134.7	2.4	244.25	Luxembourg	90.1	3.6	57.45
Norway, Oslo	129.4	2.4	11.04	Mauritania, N'chott	89.5	6.3	153.75
Sweden, Stockholm	125.3	2.1	10.20	Bahamas, Nassau	89.4	6.4	1.98
Congo, Brazzaville	120.0	2.2	475.13	Liberia, Monrovia	88.0	4.5	1.98
Denmark, Copenhagen	112.8	2.5	10.78	Hong Kong, Victoria	87.6	9.9	15.31
Switzerland, Zurich	111.0	4.8	2.50	Portugal, Lisbon	87.1	9.7	243.35
Finland, Helsinki	110.3	2.8	7.59	Taiwan, Taipei	86.1	5.1	49.85
Ivory Cst, Abidjan	109.3	1.2	475.13	USA, New York	82.4	3.2	1.98
Libya, Tripoli	107.5	4.4	0.51	Barbados, Bridgetown	80.6	8.1	3.99
Italy, Milan	106.0	5.6	2,134.50	S Korea, Seoul	80.5	8.1	1,558.25
France, Paris	104.4	3.1	8.50	Cuba, Havana	79.3	7.1	1.60
Belgium, Brussels	102.8	2.8	57.45	Cyprus, Nicosia	78.1	1.0	0.31
S Arabia, Riyadh	102.8	5.7	7.43	Antigua	78.1	1.0	5.35
Spain, Madrid	102.8	6.8	189.85	Bruna	78.4	2.8	3.17
Austria, Vienna	101.1	4.1	19.55	Malta, Valletta	77.6	1.0	0.58
UK, London	100.0	4.3	1.00	Morocco, C'ablanca	77.1	7.2	14.81
Ireland, Dublin	98.1	3.7	1.06	Qatar, Doha	77.1	3.0	7.21
Netherlands, Am'd'm	96.4	4.4	3.15	Oman, Muscat	77.0	1.6	0.78
Germany, Frankfurt	94.9	4.6	2.78	USA, Los Angeles	76.1	3.2	1.98
Seychelles, Victoria	94.3	1.4	8.65	Singapore	75.2	2.8	3.17
				Bahrain, Manama	74.7	0.1	0.75
				Philippines, Manila	74.6	10.0	44.90
				Papua NG, P M'sby	74.5	5.8	1.98
				Canada, Toronto	72.2	1.7	2.37
				Tunisia, Tunis	72.3	8.9	1.61
				Trinidad, P of Spn	72.1	2.4	0.42
				Malaysia, K Lumpur	71.5	4.1	4.94
				China, Beijing	70.6	3.2	10.78
				Thailand, Bangkok	70.2	4.9	49.80
				UAE, Dubai	70.2	3.0	7.27
				UAE, Abu Dhabi	70.1	2.0	7.27
				Australia, Sydney	69.4	1.7	2.76
				Indonesia, Jakarta	68.2	9.6	4,033.90
				Jordan, Amman	68.1	6.8	1.32
				Fiji, Suva	64.6	3.5	2.93
				N Zealand, W'lon	63.8	2.1	3.68
				Panama	61.0	1.1	1.98
				Sri Lanka, Colombo	59.4	10.7	86.45
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				Pakistan, Karachi	51.0	8.1	49.65

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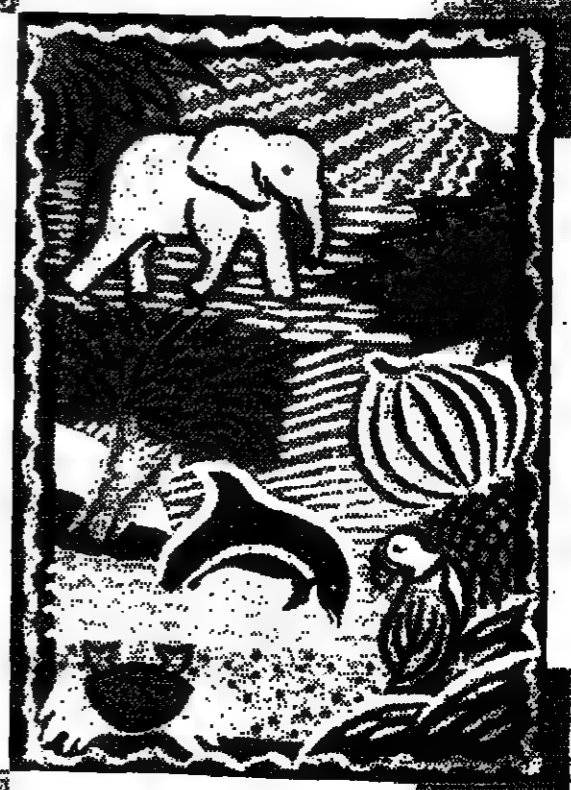
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## INDEX

TRADING	SALES
DERIVATIVE PRODUCTS	DERIVATIVE PRODUCTS
FX (FOREX)	FX (FOREX)
COMMODITIES	COMMODITIES
FIXED INCOME	FIXED INCOME
EQUITIES	EQUITIES
OTHER	OTHER
INTERNATIONAL MARKETS	INTERNATIONAL MARKETS
PRIVATE CLIENT INVESTMENT MANAGEMENT	PRIVATE CLIENT INVESTMENT MANAGEMENT
SPECIAL PROJECTS SALES	SPECIAL PROJECTS SALES

FOR FURTHER INFORMATION PLEASE CALL OR SEND YOUR C.V. IN CONFIDENCE TO:  
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Please write giving full details and CVs to:

The Managing Director  
Archdale Securities Ltd  
9 Kingston Buildings  
Bath BA1 1LT

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## EQUITIES



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International Investor seeks a manager for its Special Projects Department to cover Africa/Middle East and Eastern Europe.

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Please send cv with covering letter to: Anne Page, International Investor, Imperial Buildings, 54 Kingsway, London WC2B 6DX

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Letters of application, together with CV, salary progression and any other relevant data, should be sent without delay to the Managing Director, Performance Management Limited, 3rd Floor, Waterloo House, 20 Waterloo Street, Birmingham B2 5TF quoting reference P188 and stating preferred location, if any.



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TEL: 071 638 5286 FAX: 071 382 9417

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GAM wishes to appoint a Chief Executive for GIAM to lead its growth and development, both with respect to the client base and in

managing the investment performance. Working closely with the Group Chairman and the Managing Director, this will involve developing and implementing GIAM's overall strategy, and putting together the requisite people and infrastructure.

This will require a person with unusually strong experience and personal characteristics. A university graduate, you will have at least ten years' experience in securities investment with premier UK or European firms, with at least four years' marketing to and managing funds for blue chip ERISA institutions. You will be able to demonstrate an exceptional record of success, both in terms of the depth of the client base and investment performance. Key skills include a strong

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This is an exceptional opportunity for the right individual: to lead the growth of a new institutional investment management organisation, with the backing and support of a leading firm; and the potential for exceptional financial rewards.

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## GAM

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The post would suit someone who:

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- has appropriate linguistic skills
- has a sound knowledge of the internal working of European Community institutions
- is prepared to travel and make contacts in Brussels and throughout Europe.

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Please send a comprehensive CV quoting reference FT/103 to: Robert Patis, Withers Diamond & Wood Brigdale Limited, Kent House, Market Place, London W1N 7AJ. Fax: 071 255 3125.

WD &amp; WB

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FORATOM

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If interested please contact: Pioneer Overseas Ges.m.b.H., Pioneer Strasse A-7111 Parndorf, Austria, Attn: Eva Kropfl Fax: (43) (2166) 2525-62

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Salary is for discussion; the comprehensive benefits package includes relocation expenses, where appropriate.

Please write - in confidence - with full details. A L Brown, Ref 16225, MSL Group Ltd, Ebor Court, Westgate, Leeds LS1 4ND.

MSL Group Ltd

## MERCER

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Mercer Management Consulting, a leading international strategy consultancy, was formed in January 1992 through a merger of Strategic Planning Associates (SPA) and Temple, Barker and Sloane (TBS). Having 9 offices spread throughout Europe and North America, employing a total of around 600 staff, Mercer provides tailored support to senior management across most sectors. The firm is part of the Marsh and McLennan group.

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- A clear and concise communication style
- The maturity and personal skills and to work effectively with clients
- A good first degree

Fluency in one or more foreign languages would be advantageous, as would previous consulting experience - but neither are necessary. The positions offer the right individuals an excellent opportunity to develop their business skills fully. Compensation is competitive within the high-quality consulting segment.

Applications should be sent to: Lynn Kaye, Recruiting Coordinator, 1 Grosvenor Place, London, SW1X 7HU. Quote reference: FT11

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Linda Bloomer, Personnel Manager,  
Swiss Volksbank, 48-54 Moorgate, London,  
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Candidates should be graduate qualified accountants who can demonstrate the requisite skills in the communication of financial information. They should also have the ability to exercise rigorous financial control and implement and develop computerised systems. Business experience is essential and experience of a legal practice is desirable.

The successful candidate must be able to communicate well at all levels and be able to develop the role.

Salary commensurate with ability and experience.

Please apply with C.V. to:

David Gwillim  
Winward Fearon & Co  
35 Bow Street  
LONDON WC2E 7AU

**ACCOUNTANCY COLUMN****Dressing the auditor in an umpire's coat**

Roger Davis on changes needed to ensure greater corporate accountability at the turn of the century

**AUDITING** is in need of reform. For once, the profession has been overtaken by events. The world has changed faster than we would like, while the profession has tried too long to defend an indefensible status quo.

There is now consensus that it needs a new sense of direction. What is less clear is where it will go: to concentrate on being good score keepers, the role assigned by the Companies Act, or to take a more active part in the play?

After the event it is often said that the auditor is "not doing enough". The public feels that more could be done to blow the whistle on bad conduct. Moreover, management wants auditors to focus more sharply on the business risks in an increasingly complex world.

But that only deals with the present. If the profession is not to be caught on the hop again, it should look forward to the changed needs for audit, say, the turn of the century. I believe a number of demands will change the shape of audit.

**Stakeholders in the audit.** Society will have greater demands for accountability from the corporate community. Employees, financiers, those with long-term trading relationships, the community in which companies operate and environmental interests — all will want to be better informed. They will want confidence in that information. The law is unclear on the duties of companies and the auditor to the wider community. This needs to be resolved.

**Scope of the audit.** The sophistication of financial management techniques will challenge further the abilities of company directors to keep up with developments in areas such as treasury management and information technology. The company director will be more the strategist, without the expertise in state of the art techniques held by lower levels of management. And sadly, the fraudster, too, will have acquired new skills. Company boards will no longer talk about internal controls so much as strategic risk management.

The auditor will realise that he could be the catalyst for best practice. The traditional management letter, the familiar by-product of the audit — which too often resembles the scraps from the production process — will decline in usefulness. At Coopers & Lybrand we have in hand a project to provide directors with a methodical assessment of their management of risk, with a view to that being being summarised in annual reports.

Audit methods themselves will be recognised as something closer to the "due diligence" process for an acquisition, both in the way the audit is approached and in the management report which results.

But let us also look at how the more traditional role of the audit will change. The auditor will be more concerned with the future. An audit report solely related to past accounts will not be enough. Company reports will be expected to give better warning of future risks: of potential cash

flow problems; and of the more vulnerable assumptions made in preparing the accounts.

The annual report itself will form a smaller part of corporate communication. Half-year or quarterly information, presentations to analysts (not to mention City lunches) will increasingly influence share price. Technology will provide sophisticated global networks of company information.

The auditor should be able to act as a catalyst for best practice in objective presentation of company data in these new ways. The audit will need to be more of a continuous process than the annual check on the accounts.

**Skills of the auditor.** It follows that the skills of the auditor will need to adapt, probably quite radically. The technical accounting and auditing rules of recent years have tended to narrow the outlook. The audit partner of the future will need to be more of a strategist in assessing business and financial risks and then in assembling the necessary audit teams.

Audit will increasingly require multi-disciplinary teams, including manufacturing experts to evaluate inventory; specialists in fraud prevention; experts in IT strategy; lawyers, and so on. Accounting skills alone will no longer be sufficient to provide the most cost-effective audit.

But the accounting qualification will remain as relevant, because it represents the core disciplines of objective enquiry and presentation of data. General audit experience from

storeroom to boardroom will remain unrivalled as a business primer.

The profession will be wise to continue to recruit high calibre graduates at least in the numbers to which it has recently adjusted. The reduction in less skilled work will present new challenges in training, for example through work shadowing of senior people. Graduate training must remain the most important investment for accountants.

All of the above is being reflected at Coopers & Lybrand, for example, in our "audit re-engineering project" which is changing the process to achieve greater cost-effectiveness. But there is little scope left for further reduction in the price of audit without gnawing at its fabric. And we are investing heavily in information technology to achieve "first time right" quality.

**Standards.** One thing will not change. The traditional values of professionalism, independence and objectivity will remain at the fore. Any firm which lets these standards lapse will lose business — and deservedly so. The good auditor will be fearless in the opinions he provides. I also hope that the sterile debate on non-audit services provided by audit firms will have been forgotten. It is not relevant to high standards in practice. The audit will need to be a multi-disciplinary activity provided by multi-disciplinary firms.

**Sanctions.** Little of what I have advocated will happen if the ratio of auditor's risk to reward stays as it is.

Any extension of role could mean an exponential increase in potential liability. The profession must be unique in its risk/reward ratio. Just a few claims can represent the entire annual revenue of the auditing industry.

We need a sensible deal on sanctions for deficient work: a reasonable limitation on liability (to all stakeholders in the audit), supplemented by fair disciplinary sanctions by the regulators. Otherwise, the auditor will have to adopt a similar attitude to the US medical practitioner, who is disinclined to give a forthright view because of the risks of being sued for getting it wrong.

This is a substantial agenda for change. Score keeper or player? Maybe umpire is the best analogy — to see fair play between a company and its stakeholders.

It would be a serious strategic error for the UK profession not to foresee that auditing will become more of an international activity. Capital markets will become more genuinely global and so will regulatory regimes. Different auditing and accounting standards will be an unacceptable barrier.

The UK profession has a long tradition of providing advice, which naturally flows from the audit, and has set a lead to much of the world. It is surely in everyone's interests that we should continue in this tradition and strengthen the value of audit.

Roger Davis is head of audit at Coopers & Lybrand

**The Jardine Matheson Group****ACCOUNTANTS****Outstanding Career Opportunities in the Far East**

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Our continued success means that we are now seeking ambitious young accountants to join our international management team. Initially based in the Group's Head Office in Hong Kong, successful applicants after their first year should expect to join an operating unit in a senior financial role, either in Hong Kong or overseas.

This is an ideal opportunity for exceptional young accountants with commercial awareness and a desire to become actively involved in operational

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Depending on age and experience, initial remuneration is likely to be equivalent to £30,000 — £35,000 p.a., plus valuable overseas benefits including subsidised accommodation. If you have the requisite qualifications for a career with the Jardine Matheson Group, please send a full CV and a covering letter demonstrating your suitability for the role, to John Curtis at our London-based subsidiary, Matheson & Co Ltd, Jardine House, 6 Crutched Friars, London EC3N 2HT.

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This is an outstanding management opportunity and prospects for further career progression within this high profile organisation are exceptional. Preferred age range is 35 — 45.

Please send a comprehensive résumé, including daytime telephone number, quoting reference 3262, to Neil Cameron, Touche Ross Executive Selection, at the address below.



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Reporting directly to the C.E.O., the successful candidate should be a young, qualified accountant, fluent in English and Hungarian, with excellent management skills, a creative mind and the ambition to succeed.

Our client would also like to hear from other professionals who can demonstrate a successful track record in Sales or Marketing of printed packaging products.

Interested applicants should write in confidence to Fiona Davidson, enclosing a detailed CV at Nicholson International, Search and Selection Consultants, Africa House, 64/78 Kingsway, London WC2B 6AH, quoting reference number 9585, fax 071 404 8128 or telephone 071 404 5501 for an initial discussion.



**NICHOLSON INTERNATIONAL**

**Director of Finance**

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c£40,000 plus +PRP +Car

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Reporting to the Chief Executive, Chris Pennell, and as an Executive Member of the Board, the person appointed will be expected to make a major contribution to corporate policy making. The Director of Finance will be responsible for developing successful financial strategies, ensuring the efficient use of cash resources, and providing a comprehensive Value For Money service.

The post calls for a qualified finance professional, with the skills to control a large, complex budget, the vision to recommend sound policies, the leadership to manage a team of 70 District Finance and management services staff, and an empathy with the needs and challenges both of

the NHS and of a Health Authority committed to improving patient care. Mature, pragmatic but creative team players are most likely to succeed in this environment which offers real scope for initiative and personal development.

A salary in excess of £40,000pa is negotiable together with Performance Related Pay (PRP) and the generous benefits package includes leave car and relocation assistance where necessary, in addition to the opportunity to live and work in one of England's most attractive areas. Further information concerning the Authority and the role may be obtained by writing to the address below.

Applications for our client's post should be made in writing with a full CV and remuneration details by the closing date of 30th September to: Derron Sewell, Wesenden Associates, The Gables, 51 New Road, Holmfirth, West Yorkshire HD7 2XX. Telephone 0434 687031.

**WESSENDEN ASSOCIATES**  
Human Resource Consultants

**INTERNATIONAL INVESTIGATING AND REPORTING ACCOUNTANT**

**MUNDIPHARMA INTERNATIONAL LIMITED**

**CENTRAL LONDON**

**PACKAGE c.£45,000**

Mundipharma International Limited is a newly-formed company, within a major privately-owned international pharmaceutical group, created to provide financial support (both financial analysis and performance monitoring) covering acquisitions, international licensing, transborder financing and trading and operational auditing.

The position to be filled is for a qualified financial accountant aged 30 to 40 who has a proven record in this field. The appointee will report to the Financial Director and will work in liaison with the Worldwide Group associates and have an involvement with the Shareholder Group and its Advisers.

The position requires someone with a commercial awareness as well as an analytical approach who is capable of handling a variety of tasks and working on their own under pressure. The candidate must be available to travel abroad for at least 50% of the working year. Computer (spreadsheet) literacy is essential and foreign languages (German and/or French) highly desirable.

A remuneration package of c.£45,000 is offered. Please respond, demonstrating clearly the relevance of your experience to this position, to the Company at: 11th Floor, The Swiss Centre, 10 Wardour Street, London W1V 3HG

**FINANCIAL CONTROLLER, Attractive Salary plus Benefits**

A leading independent music publishing and entertainment group requires a London based financial controller with experience in managing staff in a computerised accounts department.

Reporting direct to the chairman, the successful applicant will be a qualified Chartered Accountant aged between 35 and 45 with prior experience in the music industry. The candidate will require good interpersonal skills and a high degree of flexibility. He/she will be responsible for the operation of the accounts department including preparation of statutory accounts, management accounts and forecasts and will be asked to advise on special projects and new business ventures.

This is a senior position and the package will be commensurate with the responsibility involved.

**Saffery Champness**

CONSULTANCY SERVICES LTD.

Applications should be in the form of CV to Mrs. S.A. Spencer, Messrs Saffery Champness, Fairfax House, Fulwood Place, Gray's Inn, London WC1V 6UB. Quoting reference: FT/AS

**Entrepreneurial accountant**

We require a Group Accountant reporting to the Group Finance Director to assist with the introduction and implementation of financial controls to new acquisitions. Other duties will be varied but will include the identification and analysis of potential targets.

Your experience will be wide and is likely to include tax, insolvency and "the small businesses group."

The successful candidate is likely to be in their early to mid thirties, be a manager or junior partner and should be literate, articulate, ambitious, prepared to work long hours and to travel, sometimes at short notice.

Interested candidates should send a detailed resume including qualifications, experience, salary history and contact telephone number to: Box A1940, Financial Times, One Southwark Bridge, London SE1 9HL.

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# Group Accountant

c£27,500 + Car  
W. Midlands

This Group is a substantial West Midlands quoted plc, strongly financed and successful, with manufacturing and distribution interests which extend to continental Europe, USA and the Far East.

They wish to appoint a chartered accountant, probably aged mid to late 20s, to take responsibility for co-ordination and preparation of Group statutory accounts, Group monthly results, Group budgets and medium-term planning; interpretation and analysis for the main board; the further development and upgrading of systems, which are PC-based; and post-audit review of major capital expenditure and acquisitions. The Group headquarters is small in numbers, leading to high visibility and the need to accept personal responsibility. Improvement of financial analysis, timeliness and systems will be key objectives.

Applicants should be chartered accountants with exposure to group accounting and international consolidations for a medium to large plc gained either via audit experience with one of the Big 6 or from a post-qualification industrial role. Experience of PC spreadsheet applications is desirable. The Group has a positive management development programme which will lead to a line management role within two years. Mobility and a strong interest in career development are therefore major priorities.

Please apply in confidence quoting ref: L518 to:

Brian J. Mason,  
Mason & Nurse Associates,  
11, Abchurch Lane, Strand,  
London WC2E 7EB.  
Tel: 071-240 7805.

**Mason  
& Nurse**  
Selection & Search

APPOINTMENTS ADVERTISING  
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edition only)  
For further information  
please call:  
Richard Jones on 071-873 3460 Times  
Kenne on 071-873 3199  
Alison Price on 071-873 3607

## Financial Controller

### Thames Valley

Our client is a £100-million turnover manufacturing and trading subsidiary of a major multi-national. The company operates in a highly technical field with many of its products established as outright market leaders. With ongoing capital investment aimed at improving productivity, continuous product development and available funds to make strategic acquisitions, they are extremely well placed to continue their track record of sustained growth, well into the next decade.

They are now seeking to recruit a high calibre accountant to strengthen the financial management team. Reporting to the Finance Director, this individual will be expected to achieve the following key objectives:

- Review all existing Finance resources, systems, controls, procedures and reports with a view to implementing the changes necessary to provide a first class accounting service to the Business Management.
- Improve the productivity of the Finance function through training and development and the utilisation of computerised solutions.
- Develop successful working relationships with the Business Management in order to provide sound financial and commercial advice in all areas of decision making.

c £35-40,000 + FX Car + Benefits

The main responsibilities will include providing fast and accurate financial reporting, financial analysis, budgeting, forecasting, statutory accounts, tax computations and treasury management.

The ideal individual will be a qualified accountant, aged 30-40, with excellent IT skills, experience of consolidations, production accounting, multi-site operations and should be technically strong on SSAPs and UK Corporation Tax. In addition, they should have a working knowledge of French.

They must also possess strong organisational and analytical capabilities, excellent leadership and communication skills, a professional and committed attitude, and the ability to initiate and implement change.

Promotion prospects within the subsidiary and parent organisations are excellent.

Interested applicants should write to John Zafar ACMA at Michael Page Finance, Windsor Bridge House, 1 Brocas Street, Eton, Berkshire SL4 6BW. Please quote reference number: 65949.

**Michael Page Finance**  
Specialists in Financial Recruitment  
London Bristol Windsor St Albans Leatherhead Birmingham  
Nottingham Manchester Leeds Glasgow & Worldwide

## EVERSHEDS Director of Finance

c. £70,000

For a leading Northern firm employing over 300 people, and one of the largest national partnerships of solicitors

- THE RESPONSIBILITY** is for the provision of top quality support to the fee earners, the role embraces financial control, technology, resource management and overall administration.
- THE NEED** is for a qualified accountant with a reputation, in industry, commerce or the professions, for producing effective solutions in a complex and demanding environment. A flexible approach and outstanding management skills are mandatory.
- PREFERRED AGE** 38 - 50; Location Leeds

Write in confidence, enclosing a Curriculum Vitae, quoting reference T525 to:

**TK  
SELECTION**

13-11 South Parade, Leeds LS1 5QN Fax: 0532 126888  
A DIVISION OF TYZACK & PARTNERS

## Sales and Marketing Accountant

### North London

Our client, a UK subsidiary of a world leading and acquisitive US FMCG group, is a successful retail company and market leader in its field.

As a result of expansion, our client is seeking to recruit a young and commercial accountant.

Your role will involve close liaison between the Sales, Marketing and Financial teams to Director level. You will be expected to strongly influence the company's sales and advertising forecast. You will use your analytical skills to evaluate marketing programmes and their impact on profitability.

£28-32,000 + Bonus + FE Car

The successful candidate will be aged 25-29, a graduate and qualified accountant, with relevant experience of Planning/Forecasting, and excellent communication skills.

This is a rare opportunity for a highly skilled and commercial accountant to make a real difference to a successful and forward thinking company.

Interested candidates should contact  
**David Bloch at Michael Page Finance,**  
Page House, 39-41 Parker Street,  
London WC2B 5LH.

**Michael Page Finance**

Specialists in Financial Recruitment  
London Bristol Windsor St Albans Leatherhead Birmingham  
Nottingham Manchester Leeds Glasgow & Worldwide

## Financial Controller

### Nottingham

c £35,000 + Car + Benefits

National Grid Settlements Limited is a wholly owned subsidiary of the National Grid Company PLC. Its primary responsibility is the calculation of Electricity Pool prices and the subsequent completion and reconciliation of all transactions for the sale and purchase of electricity through the Pool. As a young, customer orientated company, this is an ideal environment for a commercially minded Financial Accountant looking for a fresh challenge.

Reporting directly to the General Manager you will play a key role in the management team with responsibility for all financial aspects of the company. This high profile role offers broad experience and exposure to business issues as well as financial planning and strategic decision making responsibilities.

The ideal candidate will be a qualified accountant

with at least five years post qualification experience, ideally in a 'service' environment. Broad business knowledge over and above normal accounting skills with experience of systems implementation and would be an advantage.

If you feel that you can rise to the challenge of this highly rewarding environment then talk to our advising consultant Stephen Hockley MBA, in the strictest confidence, on 0602 483480 or write to him at:

Michael Page Finance,  
Imperial Building,  
20 Victoria Street,  
Nottingham NG1 2EX.

**Michael Page Finance**

Committed to Equal Opportunities



## Treasury Manager

to implement centralised European treasury for a major US multinational London

c. £40,000 + car and benefits

In line with the strategic development of its business, this major US multinational is creating a sophisticated European treasury function to manage surplus cash, financing requirements and foreign exchange for all European subsidiaries. The finance company created will rely on technologically advanced systems to help improve returns, reduce risk and spread best practice among national treasury functions.

Reporting to the European Treasurer, the Treasury Manager will play an essential role in the implementation and ongoing management of the function.

Probably aged 28-33, you are a graduate with at least two years background in a corporate treasury department, preferably European rather than UK only, with experience of FX and money market dealing. You are highly PC literate with direct experience of systems implementation. An accounting qualification and exposure to a US multinational would each be advantageous.

This demanding position calls for an exceptionally energetic, self-motivated, flexible candidate who is strong analytically and can make an immediate impact.

Please write enclosing a full CV quoting reference 589 to Nigel Bates, Whitehead Selection Ltd, 4 Welbeck Street, London W1B 7HF.

Whitehead Mann Group PLC Company

The  
Top Opportunities Section  
appears every Wednesday.  
For advertising information call:  
Stephanie Cox-Freeman  
071 873 4837  
Elizabeth Arthur  
071 873 3694

## Finance Manager

W. London £30-£35,000 plus benefits

Our client is the UK office of an international specialist long-haul tour operator, with 28 offices worldwide, delivering a high quality product. The subsidiary, of a major airline, this dynamic company is successful and has ambitious plans for medium-term growth. The UK operation has a turnover of £30m, with 45 employees.

Reporting to the General Manager you will be responsible for managing the busy UK finance function, with huge staff, and preparing monthly management reports to tight deadlines. You will also be responsible for transferring the manually operated accounting system on to a computer.

To effectively meet the demands of this challenging role you will need to be a qualified accountant, probably in your late twenties or thirties, with experience of operating and managing a manual system. In addition to commitment and a flexible, shirt-sleeves approach, you must possess strong systems skills and experience of managing a small finance team in a fast-moving, service environment.

Do your aspirations meet our client's needs? If so, please write in confidence to Richard Holland, at the address below, with full career and salary details, quoting reference 1696.  
**BDO CONSULTING**, 20 Old Bailey, London EC4M 7BH.



Can anybody utilise the knowledge and expertise of a LONDON TRAINED CHARTERED ACCOUNTANT with a Cambridge law degree (redundant Financial Director) who has had practical experience of German Commerce / hence German speaking with some French. Temporary assignments or special commissions considered.

Please write to Box A1946, Financial Times, One Southwark Bridge, London SE1 8UL.

### QUALIFIED ACCOUNTANT

Chartered loss adjusters require commercially orientated accountant for claims works. Remuneration commensurate to age and experience.

Apply in writing with C.V. to:-

Tony Whittaker, FCCA, FCILA

Cunningham Hart (UK) Limited

International House

1 St. Katharines Way

London E1 9UN

## Financial Controller

Financial Services Eastern Home Counties

This highly regarded financial services organisation is a major unit of a prestigious and influential world-wide player. As such it operates throughout the UK and continental Europe with a valuable blue chip portfolio.

Reporting to the Finance Director and supported by a team of 25, your prime objective will be to increase profit, through improved financial control and enhanced management information, while ensuring compliance with legal and regulatory requirements. There is considerable scope for change and you will be expected to develop and drive initiatives on all fronts.

A Chartered Accountant, ideally qualified with one of the 'big six', your strong professional skills will have been honed outside the profession in a major organisation, preferably in the financial services sector. Your confidence to operate at the highest level is based on an assertive, yet very personable style which is equally at home in a people management role where change is a major feature.

A salary circa £40k will be supported by a full package reflective of our client's premier market position. Most attractive however will be the opportunity to make a major impact on their business.

Please send a detailed cv to Neil Beekingham at McCann Erickson Central Limited, 1266 Warwick Road, Knowle, Solihull, West Midlands B93 9LH.

Applications will be forwarded to our client so please list separately any companies in which you are not interested.

**McCANN-ERICKSON**

**McC**

## Portfolio

### Audit Manager Home Counties - £40k + car

- \* Operational review
- \* Career prospects

Major bluechip plc is seeking a bright, commercially oriented Audit Manager with FD potential. A big 6 ACA Manager with at least 5 years PQE and multinational audit experience is required.

Please contact Pippa Curtis quoting ref FT - 9-A

### UK Financial Controller Maidenhead, Berks - to £35k + car

- \* Entrepreneurial Environment
- \* Broad ranging role

Small, fast growing and highly successful service company is seeking to recruit a qualified accountant with 3/6 years post qualification experience gained within industry/commerce. Energy, enthusiasm and creativity are all prerequisites.

Please contact Peter Green quoting ref FT - 9-B

### Management Accountant Home Counties - £28,000

- \* CIMA Qualified
- \* Significant opportunity

Working in this hi-tec manufacturing environment you will need a commercial outlook coupled with solid experience gained in a relevant industry to fully exploit the potential that this role offers.

Please contact David Brownlow, quoting ref FT 9-C

### Derivative Products City - to £33,000 + MS + bens

- \* Major European Investment Bank
- \* ACA + 2 yrs PQE

An outstanding opportunity within the Product Control function of this major player. Responsibilities will include profitability analysis and risk reporting and there will be extensive exposure to front office and senior management. Likely candidates will have experience and a good understanding of complex structured trades for Equity, Commodity and/or Interest Rate Derivatives.

Please contact Joe Thomas quoting ref FT - 9-D

### Analyst South London - £40k + car + benefits

- \* New department
- \* International

This major bank requires a qualified, degree educated accountant for a newly created role, which incorporates analysis of the bank's products and services. There will be systems involvement and responsibility for new areas of development.

Candidates should have corporate treasury and capital markets experience.

Please contact Liz Osborne, quoting ref FT - 9-E

### Financial Accountant Merchant Banking City - to £29,000 + car + benefits

- \* Prestigious UK Institution
- \* Excellent Career Opportunities

A newly or recently qualified ACA with an excellent academic and professional pedigree is required to undertake a group accounting position. Tasks include group consolidated accounts, statutory and regulatory reporting and financial responsibility for subsidiary companies.

Please contact Joe Thomas quoting Ref FT - 9-F

### Major Consultancy London - to £45,000 + car

- \* Financial Services
- \* Strategic Level Input

High calibre, graduate qualified accountant and/or MBA, with at least two years PQE in a non-routine role in financial services is required for business restructuring, profit improvement, efficiency and cost reduction. Training given.

Please contact Ian Tomlinson, quoting Ref FT - 9-G

Interested candidates should send their CV's to the appropriate consultant at Douglas Llambras Associates, 410 Strand, London WC2R 0NS or fax details to 071 379 4820. Telephone number is 071 836 9501.

EDINBURGH 031 225 7741  
GLASGOW 041 226 5101

**DOUGLAS LLAMBRAS**

RECRUITMENT CONSULTANTS

### LEGENT Internal Audit Manager

This rapidly expanding computer software group is looking for an experienced audit professional reporting to the U.S. Controller, to conduct financial and operational audits. Based in the Thames Valley, the principal areas of operation are UK and Europe with an Agent network in South America and Africa. Candidates should be qualified with good interpersonal skills and the ability to work independently. Experience of establishing or managing an audit function within a multinational organisation is also a requirement. A competitive package of salary and benefits is offered.

Replies to Box A1942, Financial Times, One Southwark Bridge, London SE1 9HL

## Manager - Group Accounting

City c.£42,000 + car + benefits

This is an exceptional opportunity to make a genuine impact within a prominent, fast moving UK plc, heading up a complex group accounting function. Our client occupies a pre-eminent position in the publishing and entertainment field and is poised to capitalise on its dominance in key markets. In line with its strategic objectives, the Group is committed to reorganising its head office accounts function. The Manager - Group Accounting will play a vital role in this process. Operating largely on your own initiative, you will not only oversee all aspects of financial accounting, ensuring that statutory reporting requirements are met, but also introduce a revised structure to maximise the effectiveness of your highly qualified team. Up to date technical knowledge is a prerequisite. Other key responsibilities include managing the relationship with external advisors, supporting UK and offshore operating units and working on potential acquisitions and disposals.

A graduate chartered accountant from a leading firm, probably in your early 30's, you will have since gained line accounting experience, preferably outside the profession, but conceivably via a long-term secondment in a client organisation which demanded genuine management skills. You are results-oriented, ambitious and confident, yet team-spirited and diplomatic. You relish change, excel at motivating others and, though at an early stage in your already successful career, thrive in a challenging, high profile role.

Please write, in confidence, enclosing full career details, day and home contact numbers, to Tim Knight, quoting reference N7935.

**KPMG Selection & Search**  
2-3 Dorset Rise, Blackfriars, London EC4Y 8AE

## Director of Finance Surrey To £40,000 Package

This position offers tremendous scope to join an organisation at a vital moment in its evolution and to play a crucial role in ensuring its smooth transition to a proactive, self accounting corporate entity. In the light of forthcoming incorporation, our client, a thriving Further Education College, wishes to recruit a commercially aware accountant capable of introducing a financial infrastructure which will facilitate the process of change.

In this newly-created role you will assume responsibility for all financial affairs, including the management and motivation of existing accounts staff and, in particular, the establishment of appropriate controls and procedures. You will oversee production of financial, management and statutory reporting and handle treasury and taxation issues. As a key member of the senior management team, you will promote greater financial awareness throughout the College and be actively involved in the business planning process.

Prerequisites for the role include an accounting qualification, a successful track record in a commercial environment, computer literacy and a proven ability to manage change. Your personal attributes include strong leadership qualities, a results-orientated approach and an energetic management style. Above all, you must demonstrate a genuine empathy with the College's commitment to delivering a curriculum which provides first class education and training to the local community. Please write, in confidence, enclosing full career and salary details, to Tim Knight, quoting reference B2895.

**KPMG Selection & Search**  
2-3 Dorset Rise, Blackfriars, London EC4Y 8AE

## General Practice Partners

For offices in London, Manchester and Croydon

We are looking for top quality General Practice partners, preferably with substantial client followings, to join one of the most progressive and diversified medium sized firms in the UK, who have managed to sustain profitable growth even during these difficult times.

This is a unique opportunity for one or more experienced partners, who are team players, looking for long term security in a dynamic, multi-discipline practice.

The qualities we require are

- a proven track record in attracting and winning new business
- strong personality with excellent communication and presentation skills
- currently controlling a portfolio of clients in excess of £250,000

If you would like to discuss this opportunity on a wholly discreet and confidential basis, please telephone or write to Stephen Raznick, Managing Partner, Levy Gee, 100 Chalk Farm Road, London NW1 8EH. Telephone: 071-267 4477.

**LEVY GEE**  
CHARTERED ACCOUNTANTS  
LONDON • MANCHESTER  
WORTHING • CROYDON

## GROUP FINANCE DIRECTOR

Midlands £55,000 plus, & generous package

This is a high profile role at the centre of an international, specialist manufacturing group. Working closely with other main board directors and with the heads of finance in the Group's diverse international companies, the Finance Director will play a crucial part in leading the company through its next stage of development.

The principal elements are: financial performance measurement, appraisal and control, banking relationships and perspective analysis of businesses with very different profiles. Advice, guidance and persuasion of managing directors will be frank, critical and far reaching. Professionally qualified candidates must therefore be not only technically excellent, but intellectually able, assertive and commercially highly astute. An ideal background would include time spent in finance and analysis at the centre of a major plc with subsequent division, manufacturing for international markets.

A direct involvement with acquisition and divestment, an understanding of dynamic market forces and their implications for business together with a knowledge of US reporting conventions and European business methods are essential.

Interested candidates should submit a comprehensive career resume quoting Reference 33118/FT. The confidentiality of all approaches is strictly guaranteed.

Varley Walker Consulting Limited  
8 Bloomsbury Square, London WC1A 2LP  
Tel: 071 831 2092 Fax: 071 831 1467

**Varley-Walker**  
Human Resource Consultants  
LONDON • BIRMINGHAM • NEWCASTLE • MANCHESTER • GENEVA

## International Corporate Review Europe/North America/Far East

LONDON BASED

c. £35,000 + BENEFITS

With a turnover in excess of \$1 billion, this major International High Technology Group has maintained a leading edge within a fiercely competitive market place. Following a successful process of strategic realignment, a need has now arisen to appoint an outstanding individual to strengthen their International Corporate Review function.

Working closely with senior management across all areas of the business, the role embraces every aspect of commercial and financial management. In addition the successful applicant will be closely involved in monitoring the performance of subsidiary companies across Europe, North America and the Far East, as well as being responsible for feasibility studies, competitor analysis and management reviews. The department is crucial to the long term development and expansion of the Group and therefore requires a candidate of the highest calibre who can provide the following:

- Big "6" qualified ACA
- 1-3 years PQE in a commercial and fast moving environment
- A first class communicator with the demonstrated ability to liaise effectively at senior management level
- Analytical, resourceful, commercially adept
- Aged 26-32
- A clear decision maker with first class technical and interpersonal skills

This represents an outstanding opportunity to successfully impact within a highly ambitious and progressive group. Travel to various locations is likely to involve up to 50% of your time on assignments that will last 2-4 weeks. Sound business management along with the ability to communicate at all levels is vital. Long term career openings exist for candidates who meet or exceed this criteria.

Interested applicants should write to Simon Hewitt or Ron Dougal enclosing a detailed CV at Nicholson International, Search and Selection Consultants, Africa House, 64/78 Kingsway, London WC2B 6AH, quoting reference number 9584, fax your details on 071 404 8128, or telephone 071 404 5501 for an initial discussion.

**NICHOLSON INTERNATIONAL**

### Bear Stearns MANAGEMENT ACCOUNTANT

Bear Stearns, a leading firm of American Stockbrokers and Investment Bankers, wants to employ a Management Accountant to be based at its London Office at Canary Wharf. Duties will include analysis of monthly management reports, development of management information systems and focus on expense controls. We require a qualified CA, with approximately 2 years experience (preferably in the investment services industry), computer literate and with good communications skills. Interested candidates should send their C.V. to:

Miss S. Paxon  
Bear Stearns International Limited  
One Canada Square  
London E14 5AD  
STRICTLY NO AGENCIES

## Schroders Leasing Accountant

City

Schroders has a pre-eminent position as a leading international merchant and investment banking group. It enjoys an excellent reputation for providing service of the highest quality to its clients throughout the businesses in which it operates.

The group's big ticket leasing business has enjoyed sustained growth since it was established in 1990. As a consequence, there is a need for an able finance professional to join the operation as Leasing Accountant.

This important role is genuinely wide ranging in scope, with key responsibilities which include:-

**Accounting** - Preparing management accounts; analysing and reporting on the performance of the business.

**Administration** - Ensuring all administrative systems function efficiently; liaising with Treasury Division regarding liquidity and funding issues.

### Attractive Package

**Project Work** - Reviewing and appraising accounting policies, finding strategies and interest rate risks; key member of team implementing sophisticated new software.

Probably aged in their late 20s, candidates should be qualified accountants with a minimum of 2 years' post-qualification experience, ideally in big ticket leasing. Outstanding applicants from less specialised, albeit relevant, financial services backgrounds will also be considered. Computer literacy is essential, and personal qualities should include thorough professionalism, commitment, resilience and a proactive, pragmatic approach.

The attractive remuneration package will comprise a competitive base salary, plus the full range of banking benefits. Promotion prospects within this major group are excellent.

Interested applicants should write, enclosing a detailed CV and details of their current remuneration, to Roger Howell at the address below, quoting reference number 1347.

**ST. JAMES ASSOCIATES**

MANAGEMENT SELECTION

32 OLD BURLINGTON STREET, LONDON W1X 1LB FAX: 071-287 2821. TELEPHONE: 071-287 2820.  
A GKR Group Company

هكذا على الفهم

**EAST BERKSHIRE COMMUNITY HEALTH UNIT**  
**Director of Finance and Planning**  
 Salary to £40k + PRP (3 year rolling contract)  
 East Berkshire Community Health Unit, providing health services in East Berkshire and surrounding areas, expects to become an NHS Trust from April 1993. The Unit has an excellent track record of achievement, including being a demonstration site for Total Quality Management in the NHS. Current health contracts are valued at £30m, pa and approximately 1800 staff are employed.  
 THE JOB will be a full appointment. Key responsibilities areas will be:  
 • Board level policy contribution.  
 • Finance function.  
 • Strategic and marketing planning.  
 • Business development/contract negotiations.  
 • IS/IT.  
 • Future development as deputy to Chief Executive.  
 YOU must have:  
 • A professional accountancy qualification.  
 • At least 3 years senior level finance experience in a large public or private sector organisation AND at least one of the following:  
 • Marketing.  
 • Planning.  
 • IT.  
 • Proven ability to motivate others, manage change effectively and work well in a team.  
 • Good presentation skills.  
 For an information pack and application details, please telephone Ms Elaine Morgan, Personnel Department, Upper Hospital, Slough, Berks, SL1 2BJ 0753 821441 ext 5046 (ansaphone out of hours) or fax 0753 517163.  
 Working towards Equal Opportunities.

**Finance Director**  
 Service Sector  
 North West,  
 c £37,500, Car  
**Hoggett Bowers**  
 BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, EDINBURGH, LEEDS, LONDON, MANCHESTER, NEWCASTLE, WINDSOR and representation throughout EUROPE

This unique operation which is set for further expansion now needs to add particular skills to its board to provide a basis for continued success.  
 The role will embrace the financial and administrative management of the organisation and will include all statutory accounting, company secretarial duties, strategic and operational input at board level. Reporting to the Chief Executive you will control a team of approximately eleven staff although the specific reporting roles will be self determined.  
 Specific aspects of the role will include investment appraisal, funding management, treasury, operating revenue accounting and project/contract management.  
 It is anticipated that the successful candidate will be aged 40-45 with an ACA/ACCA/CIMA qualification and have specific experience covering major development projects in a commercial environment. You will be highly motivated with excellent communication skills, be commercially astute and have a strong desire to contribute both operationally and strategically to the future success of the business.  
 In addition to an excellent rewards and benefits package the potential for further career progression is possible.  
 Male or female candidates should submit in confidence a comprehensive c.v. to: J. Bewley, Hoggett Bowers plc, St. James's Court, 30 Brown Street, MANCHESTER M2 2JF. 061-832 3500, Fax: 061-834 8577, quoting Ref. M11042/FT

**Senior Financial Management Role**  
 FMCG Manufacture And Sales  
 Kent,  
 To £40,000, Car  
**Hoggett Bowers**  
 BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, EDINBURGH, LEEDS, LONDON, MANCHESTER, NEWCASTLE, WINDSOR and representation throughout EUROPE

An outstanding opportunity to operate in the number two role within this autonomous operating subsidiary of a major UK multinational group currently undergoing a restructuring and a centralising of its commercial and accounting activities. The Finance Director requires a mature, resilient and investigative finance professional to assimilate and develop accounting systems and business practices across a pan European network of manufacturing, distribution and sales operations. The successful candidate will also be responsible for the interpretation and consolidation of forecasts, budgets and contribution analyses and will provide key financial advice within the commercial decision making framework of the business. Candidates will be qualified accountants, aged 30 to 40, with a proven and senior level management accounting background gained in a manufacturing environment ideally involving multi-site experience and exposure to sales and commercial systems. Essential personal qualities include tenacity, astuteness, self motivation and an affinity for overseas travel. Success in this initial troubleshooting role will lead to promotion to the full controllership position.  
 Male or female candidates should submit in confidence a comprehensive c.v. to: K.H. Thompson, Hoggett Bowers plc, 5 London Bridge Street, LONDON, SE1 9SG. 071 403 7000, Fax: 071 403 3773, quoting Ref. N111042/FT

**Company Secretary**  
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## COMMODITIES AND AGRICULTURE

## Russia astonishes market with uranium profit claim

By Kenneth Gooding, Mining Correspondent

AN ASTONISHING claim that Russia is exporting uranium at a profit, although prices are below the cost of production at most western uranium mines, was made yesterday by Mr Viktor Mikhailov, the Russian Federation's Minister for Nuclear Energy.

His remarks provoked a sharp response by other delegates at the Uranium Institute's annual symposium in London. Mr Phillip Crowson, chief economic adviser to the RTZ Corporation of the UK, one of the world's biggest uranium producers, said: "Most of his arguments are plain nonsense. The Russians and their partners in the US are getting away with murder and the western industry should stand up to them."

Russia faces uranium dumping allegations in the US and, in an oblique reference to this, Mr Mikhailov said in the English version of his text: "The high technical level of our production processes makes it possible to export profitably, even under the conditions of extremely low prices which exist in the world uranium market today."

"We believe that efforts to limit or reduce our exports are

unfair and unfortunate."

He said Russia's present production allowed for the export of 3,500 tonnes of uranium a year and an increase to 5,000 tonnes a year was possible.

Money from these exports would be used to buy food, equipment, materials and technology from the west to the benefit of parts of the western economy. "The world community must realise the necessity of actively supporting the irreversible reforms in Russia at this historic moment," he added.

Mr Mikhailov suggested that some of Russia's "substantial" uranium stockpile might be moved to the west, partly to give assurance of supply to western consumers and partly to be held as collateral for loans to his country.

He claimed Russia's share of the uranium market was about 6 per cent and "we believe that it could be as high as 20 to 25 per cent in a market free of artificial restrictions."

Mr Crowson, in a paper to be delivered at the symposium today, suggests that to talk of production costs and the relative efficiencies of the western and Russian industries is "unrealistic," given that the Russian currency is not fully convertible and that "Russian costs of energy and labour are

greatly subsidised."

He added: "That labour costs [in the CIS] and environmental standards are well below western levels is a competitive fact of life, however regrettable. That said, there will be inexorable levelling up tendencies to CIS costs and it is highly doubtful whether the CIS producers could maintain their present output at prices close to present spot market levels."

Mr Crowson dismisses Mr Mikhailov's suggestion that Russia is not winning its proper share of the market. He points out that the Uranium Institute estimates that the CIS produced 10,500 tonnes of uranium in 1991 or 19.3 per cent of the world's total reactor requirements of 54,280 tonnes. "To ignore domestic CIS and east European reactor requirements in looking at relative market shares seems rather extraordinary."

He makes these remarks in the context of a warning to uranium consumers that the present apparent abundance of the material - used solely to produce nuclear energy - "is more apparent than real". He suggests that "market conditions can change very quickly and unexpectedly. When they do, the inevitable scramble for cover will exacerbate any turn-around."

## Malaysia feels after-effects of cocoa fever

Growers' enthusiasm has evaporated as prices have plummeted says Kieran Cooke

IN THE late 1970s and early 1980s cocoa fever swept through the small town of Tawau, in the state of Sabah, East Malaysia.

"We all had pockets full of cash then," says Mr Nicholas Mok, a local cocoa smallholder. "The bars were full, you even had to book restaurant tables for breakfast - we all bought Mercedes."

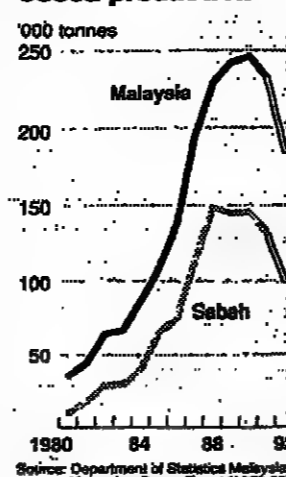
But that was in the good old days when the export price of a tonne of cocoa was more than M\$13,000 (£2,615 at the present exchange rate). Now growers like Mr Mok are lucky if they get M\$2,500 per tonne and earlier this year prices went as low as M\$1,700 a tonne.

Last year Malaysia produced 230,000 tonnes of cocoa - about 10 per cent of world output. Sabah accounts for about 57 per cent of Malaysia's total production, with more than half of the state's output coming from the Tawau area. "There's no doubt that more people are moving out of cocoa production and into palm oil, which is more profitable at the moment," says Mr Hashim Wahab, head of the Malaysian Cocoa Board.

"Something has to be done about pricing - the consumers blame producing countries for overproduction but if there was disease or some other mishap then the consumers would suffer... It's as if the consumers - mostly the big chocolate companies - want to kill the goose that laid the golden egg."

Latest cocoa board forecasts are for a drop in Malaysia's production this year to 184,000 tonnes, the lowest since 1988. It is only recently that Malaysia joined the Ivory Coast, Ghana and Brazil as a major

## Cocoa production



Source: Department of Statistics, Malaysian Cocoa Board (1990-92)

cocoa producer. Commercial growing began in the mid-1950s. In 1990 less than 2,000 hectares (4,960 acres) of land was given up to cocoa. By 1990 there was more than 100,000 ha under cocoa; spurred on by high prices Malaysia's cocoa production climbed by about 30 per cent each year in the mid-1980s.

BAL Plantations, wholly owned by the London-based Commonwealth Development Corporation, is one of Tawau's biggest cocoa producers, with 6,000 workers and about 40 per cent of its 18,000 ha estate planted with cocoa trees. Malaysian cocoa production is claimed to be the most efficient in the world: at BAL the aim is to produce about 3,000 kg a hectare. According to Mr Lim Fook Hin, finance controller at BAL, African countries produce only about 800 kg a hectare.

"We are now experimenting with close planting of trees to achieve even higher yields," says Mr Lim. "But we have been losing money for the past three years on cocoa. We are lucky because we have oil palm and rubber production and no debts. It's the mono-crop, highly geared producers who are really suffering."

Mr Lim says that the cocoa boom in the late 1970s and early 1980s was a result of a combination of factors - several of them formerly involved in Malaysia's tin mining industry - rushed to Sabah to buy land. While cocoa offers a quick return on capital compared to palm oil and rubber, it is a highly sensitive crop and needs careful husbandry. Many of the new planters invested little in fertiliser and often planted on marginal land.

Mr Lim feels a shake-out is now going on in the cocoa sector. "In the short term only the most efficient producers will survive," he says. "But if the price does not rise within the next two or three years then there could be no cocoa industry left in Sabah."

Malaysian producers concede that there has been global overproduction but argue that consumers often exaggerate world cocoa stock holdings. Malaysia says it is penalised both by European Community tariffs and the quality that discomfited Malaysian cocoa is subject to on the London market. Meanwhile production costs are rising: labour is in short supply in Sabah and most workers on the plantations are immigrants or "guest-workers" from Indonesia. Costly insecticide has to be used frequently to control disease, particularly the cocoa pod borer, an insect which burrows into the pod, oxidising the beans.

The big European consumers still tend to favour the West African or Ghana cocoa bean. Malaysia and other producing countries have been hit by the dramatic fall in cocoa consumption in what was the Soviet Union. In 1988 the Soviet Union imported 200,000 tonnes of cocoa beans plus an additional 75,000 tonnes of cocoa liquor (one of the extracts of the cocoa processing industry). The forecast for total cocoa imports by the CIS this year is only 35,000 tonnes.

Malaysia feels that while production seems to be falling in Brazil, the west African countries, with few agricultural alternatives, will continue to produce cocoa even at the present depressed price levels. There is also concern about the rapid rise of cocoa output in Indonesia, where labour costs are much lower. Downstream development is perceived as the most promising solution. In 1990 about 72,000 tonnes or 30 per cent of

Malaysia's total cocoa bean production was processed locally. The processing, referred to as grinding, has several stages, producing cocoa liquor, butter, paste, powder or chocolate.

But there are problems. The infrastructure is bad in Sabah and energy costs in the state are double those on the mainland. Cocoa beans from Sabah have to be transported to the Malaysian peninsula or Singapore for onward processing. Singapore, with no cocoa production of its own, processes about 50,000 tonnes of cocoa beans each year. Many of the big chocolate companies prefer to do their own grinding. Some Malaysian producers have made attempts to go into chocolate production themselves but face marketing problems.

The other solution is to search out new markets. China has recently made substantial purchases of Malaysian cocoa beans and there are hopes of a growing market in the East Asia region. The Malaysian Cocoa Board is considering launching a generic advertising campaign aimed at increasing regional cocoa consumption.

Small producers like Tawau's Mr Mok are willing to try anything to survive. "Cocoa trees need shade so above my cocoa I'm growing durian fruits, which are very profitable," says Mr Mok. "In between the cocoa trees I've planted papaya and below I'm growing a special local vegetable. Then I'm also producing kampung (village) chickens. We'll be wiped out if we just sit back and wait for cocoa prices to rise."

## Domestic oil price to double as production slide continues

By Leyla Boulton in Moscow

THE RUSSIAN government will next week more than double the controlled domestic price for oil to boost support for the ailing oil production sector, Mr Viktor Chernenyrdin, deputy prime minister responsible for energy policy, announced yesterday.

He also forecast that oil production would total 395m to 397m tonnes this year, down from 460m the previous year. Exports would reach 57m-58m tonnes, half of which would be delivered to hard currency-paying countries beyond the former Soviet Union. He gave no comparative figure for the previous year, when the Soviet Union was still one country and exported 83.9m tonnes.

He dismissed reports that Russia had suspended deliveries of oil products to Japan and western Europe. But he confirmed that the government planned to centralise exports next year to meet its international obligations better.

Mr Chernenyrdin said the new domestic price would be

about Rb4,000-5,000 a tonne, up from the current range of Rb1,800-2,200. "If we continue with present prices, the industry will be indebted to the tune of Rb170bn by the end of the year," he said.

The government was still working out a mechanism for how the new pricing system would work, he said. Despite the liberalisation of most other prices since January, energy and fuel prices have remained regulated in order to protect industry from an oil price shock. While the industry's costs have gone up its revenues have remained fixed. An additional problem is that even at the present prices, enterprises and refineries within Russia and other former Soviet republics have found it difficult to pay for oil deliveries and have continued to receive supplies none the less.

At his first major news conference since his appointment in June, Mr Chernenyrdin said his strategy for overhauling the energy sector had been approved at a government session yesterday. Although he

did not go into details, nothing of what he said suggested a major departure from the policies of his young predecessor, Mr Vladimir Lukin.

And while he regretted the freezing of the funds of oil and other types of joint ventures in Vneshekonbank, the state-owned bank that once had a monopoly of foreign currency operations, he held out little comfort to the victims, saying his priority was to make sure this never happened again.

Mr Chernenyrdin added that despite President Boris Yeltsin's last minute decision to call off what was supposed to be a ground-breaking trip to Japan, Moscow still expected to receive about \$1.4bn in new Japanese financing to overhaul its gas industry and purchase drilling equipment. But he also suggested that delays in drawing up new agreements for Japanese companies to take part in additional oil and gas tenders off Sakhalin Island had been one of the reasons for the postponement of the presidential trip.

## Agriculture faces the menace of environmentalism

Montague Keen reports on a post Earth Summit conference in the Netherlands

THE US government will shortly acknowledge that a number of prohibited products ought never to have been banned as carcinogens, according to former US secretary of state for agriculture Mr John Danforth, now president of America's wholesale grocers' association.

Addressing a post-Earth Summit conference in the Netherlands this week Mr Danforth accused many critics of agriculture of irresponsible distortion of scientific evidence. The conference, on how environmental issues could affect farm trade, was organised by the International Policy Council on Agriculture and Trade and the Dutch Government.

Few of the representatives from 34 countries disputed an assertion of the former secretary-general of the Environmental Commission, Mr Jim MacNeill, that the 1990s would see a major increase in unilateral environmental national laws imposing restrictions on a wide range of products falling to meet environmental - including welfare as

well as human, animal or plant health - requirements. Nor did speakers doubt that these restrictions might be used as covert protectionist devices to an extent that could nullify advances made through negotiations on the General Agreement on Tariffs and Trade towards reduction of tariff and non-tariff barriers.

The increasingly dominating role that well organised environmentalism was already playing in industry generally, especially those sectors related to welfare, pharmaceuticals and food, clearly worried speakers from many countries. But of particular concern were fears that ill-informed prejudice would restrict trade, raise manufacturing costs and impose unwarranted burdens on food producers.

One example was the European Community's maximum permissible nitrate levels in drinking water, the strict enforcement of which, according to Mr Peter Johnson, chief executive of

Booker Countrywide and an unabashed apologist for British agribusiness, would end internationally-competitive farming in England's bread-basket, even though the rule was in direct conflict with scientific findings.

Likewise the "emotional and altogether hasty banning of Atrazine", a crop protection chemical applied to apples, had had a serious effect on apple sales. "It does not take long for five supermarket owners supplying over one third of the UK's food to withdraw an item about which they have doubts" warned Mr Johnson.

The welfare issue was another oft-quoted example. Everyone sympathised with the US for being rebuffed by the GATT panel that had examined the legitimacy of the US ban on tuna fish caught in circumstances hazardous to dolphins.

Most nevertheless endorsed the GATT view that the governments cannot be allowed to act unilaterally: there must be international agreement. There was

more than a hint, however, that US consumers would tolerate no such rebuff. By operating a consumer boycott, they could achieve overnight what ponderous international mechanisms would have taken years to accomplish.

Mr Michael Smith, a leading environmental expert and a former GATT ambassador, warned that the environment was the trade issue of the decade, and traders would ignore it at their peril. Only by a narrow margin had Californians rejected proposition 85, which effectively would have left scientific judgments on the merits of legislation in the hands of such authorities as Jane Fonda.

But Mr Kenneth Cook, chief author of the conservation and environmental provisions of US Farm Bill, warned that public fears would not be assuaged by being told there was nothing to worry about. Every time there was a scare, the credibility of scientific assurances was reduced, he said.

## MARKET REPORT

Three-month COPPER fell below expected support around \$2,420 a tonne on the LME as New York opened lower yesterday afternoon. Sentiment was depressed by Chinese devaluation and increased supplies of Russian metal. Prices stabilised on the late kerb, but still closed at \$2,414, down \$46 from Wednesday and only \$2 above the day's low. Analysts say the next major downside objective is \$2,380. ZINC also weakened with sentiment depressed by this week's general decline in the base metals. The premium for cash metal over three-month narrowed, but traders still see

the market vulnerable to renewed tightness in the final quarter. Analysts say there is a band of technical support between \$1,310 and \$1,320, which is also likely to cushion the market from a further decline.

COFFEE rebounded from earlier losses after New York arabica stooped to new lows but managed to uncover some light buying. But most active near November showed little inclination to break out of its current \$770 to \$800 range. PLATINUM was easier in London after running into profit-taking following its advance earlier in the week.

Compiled from Reuters

## London Markets

## SPOT MARKETS

Diesel oil (per barrel FOB UK) +0.05  
Brent Blend (Oct) \$20.35-40 +0.05  
WTI (11 pm Oct) \$21.45-50 +0.25

## Oil products

WTI prompt delivery per barrel CIF +0.05  
Premium Gasoline \$21.20-23 +0.05  
Gas Oil \$18.10-18 +0.05  
Heavy Fuel Oil \$18.10-18 +0.05  
Naphtha \$19.10-19 +0.05  
Petroleum Argus Estimates

## Other

Gold (per troy oz) \$342.30 -0.10  
Silver (per troy oz) \$7.75 -0.05  
Palladium (per troy oz) \$90.75 -0.75  
Copper (US Producer) 114.50 -0.5  
Lead (US Producer) 30.40 -0.10  
Tin (Haskell Lumber market) 16.80 +0.10  
Tin (New York) 310.80 +0.10  
Zinc (Pinto Western) 62.00

## Cattle (live weight)

Sheep (live weight) 70.50 -0.94  
Hops (live weight) 81.50 +0.28  
London daily sugar (raw) \$246.70 +0.7  
London daily sugar (white) \$283.20 +0.3  
Bale and Lyle export price \$280.2 +0.3

## Tary (English feed)

Maize (US No 3 yellow) 1.48-0  
Wheat (US Dark Northern) 1.04

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Rubber (Apr)

# Equities brush off CBI retail survey

By Terry Byland,  
UK Stock Market Editor

CALMER foreign exchange markets, firmer government bonds and a batch of satisfactory trading results from leading British companies helped UK stocks yesterday to brush off the effects of a highly gloomy survey of retailing from the Confederation of British Industry.

After some initial uncertainty, share prices staged a rally from the losses of the two preceding sessions. The FT-SE 100 index closed 13.1 up at 2,340.6, near the day's best level.

Nervousness over the European currencies continued to overshadow equities. Although a shade easier against the

D-Mark when equity trading closed, the pound had turned in a firmer performance for most of the day, and this set the stage for a better showing in the stock market.

Share prices opened firmer but lost heart as traders absorbed the details of the CBI's report on retailing, which said that shop sales fell in August for the third consecutive month. More worrying for the market was the opinion of the CBI members that no improvement is in sight this year, which suggested that any prospects of a consumer-led recovery from the UK recession are even further away than feared.

However, sterling's rally after touching its DM low on Wednesday night proved a

Account Dealing Dates			
View Dealing	Step 7	Step 21	
Optim Dealing	Step 3	Step 17	Oct 1
Optim Dealing	Step 4	Step 18	Oct 2
Optim Dealing	Step 14	Step 28	Oct 12

stronger factor in the stock market and shares resumed their advance to show a 14.5 rise, putting the Footsie at 2,342.2 at mid-session. But support faded away in the second half of the session and it was not until Wall Street opened 11 Dow points higher that London regained its impetus.

Satisfactory trading results from Glaxo, the pharmaceutical stock which features

strongly in almost every fund managers' portfolio, also helped sentiment, and there were no unpleasant surprises from the rest of the day's corporate reporting list. Safety first is still the investors' watchword, and fund managers will have no truck with any stock where the dividend is thought to be at hazard.

Most of the share gains came among those stocks hit hard by company news disclosed earlier in the week. Seaq volume increased to 485,000 shares and traders believed that the proportion of retail or customer, business was higher. Wednesday's Seaq total of 400,000 shares represented retail business worth only £761.7m, still unimpressive in terms of market profitability.

Even the battered retail and consumer share sectors managed to shrug off the implications of the CBI survey to record a few scattered gains as the steadier trend in sterling soothed some of the worries regarding the outlook for UK interest rates and high street spending prospects.

Some London-based securities houses are now daring to ask themselves what would happen if the French vote "no" in the Maastricht referendum on September 21; some hardy spirits suggest that this might make life easier for the UK equity market by making a sterling devaluation more possible - although Mr Ian Harrill at Strauss Turnbull warned that such hopes could prove a "Fools' Paradise".

## Deal hint helps the generators

THE two big power generators, National Power and PowerGen, were the best performers in the FT-SE 100 index, advancing 9.6 per cent and 7.4 per cent respectively, on hints that a new coal supply deal with British Coal, favourable to the generators, is about to be announced.

Negotiation of a new contract with the power generating companies is a pre-requisite for the government's privatisation of British Coal which is planned to proceed later this year.

Utilities specialists were not entirely convinced by the rumours and British Coal insisted that the supply deal is still in negotiation. One analyst said the rumours perhaps referred merely to proposals put forward by the generators, adding that there was a significant risk that any deal may not be agreed before the September 16 deadline. In that case, the government would impose its own terms, which might not be viewed favourably in the stock market.

National Power closed 29% stronger at 357p after volume of 13m shares, and PowerGen 18% up at 270p on 12m traded.

caution and full-year estimates were brought back to the 2335m level. Cadbury said its main markets were still difficult and exchange rates would have an increasingly negative impact in the second half.

The effect of Cadbury's results ran over into the performance of United Biscuits, which is due to release first-half figures today and retreated 10 to 235p.

Full-year profits from pharmaceuticals group Glaxo were in line with forecasts but the shares closed 7 down on the day at 745p with 7m traded.

It was a classic case of its being better to travel than arrive. The shares had risen ahead of the figures and would have only improved further on unforeseen good news.

Goldman Sachs analyst Mr Paul Krikler said of the £1.427bn profit "I think these are good figures and show the underlying strength of the company and its products." Most analysts were particularly pleased by the continued growth of Glaxo's headline and under-drug Zanex.

London International Group recovered 12 to 174p after agency broker James Capel published a note pointing out that the shares were cheap at the current level.

The latest batch of results from a building sector reeling from dividend cuts and trading losses provided much needed relief. John Laing turned in profits slightly down from last

year's but generally well ahead of most estimates, and a same again dividend. The post-results meeting with building analysts was said to have gone extremely well and the shares rose sharply by 11 to 120p.

Blue Circle declined to 127p before rebounding to finish unchanged at 134p after delivering half-year profits in line with most forecasts and a maintained interim dividend.

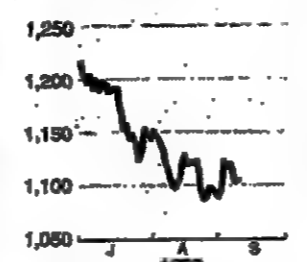
Amec, however, was the latest of the householder/constructioners to chop its interim, halving the payment and saying the final would get the same treatment. The stock retreated to 58p before ending a net 7 down at 60p.

Enterprise Oil forged ahead 8.4 per cent, clawing back some of the ground lost last week when Hoare Govett, acting for a single institution, sold a 2.1 per cent block of the shares.

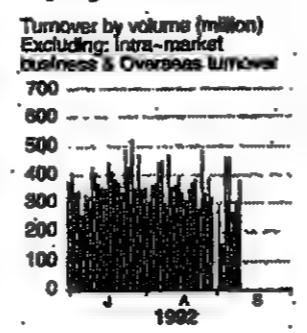
The rise, which left the stock 19 higher at 317p, followed a maintained interim dividend and slightly higher than expected net profits. Mr Alan Sinclair at Smith New Court said that with its production profile growing the shares "should be nearer 350p", and offered good long term attractions.

Shell appreciated 6 to 467p as the market displayed its satisfaction with the near 4 per cent increase in the interim dividend, at the top end of expectations and "enough to keep the market reasonably happy", said Mr Keith Morris of Carr Kitch & Alcock.

## FT-A All-Share Index



## Equity Shares Traded



A couple of big trades in National Westminster accounted for much of the day's business of 4.8m shares and the stock settled 2 higher at 315p. Prudential was aggressively bought, adding 9 at 245p, still boosted by Wednesday's excellent results.

Textiles company Coats Viyella receded 10 to 155p after warning that second-half profits were likely to be affected by conditions in Brazil, poor UK trading, a weaker dollar and a

debt level which remained higher than expected. Forecasts for the full year were chopped by around 15m to the £125m level.

The world's biggest mining group, RTZ, recovered 22 to 514p after announcing increased interim results.

Food distributor and manufacturer Booker dropped 22 to 335p after reporting lower than expected half-time profits. The company also said it had seen no sign of an end to recession.

Salisbury was under continued pressure, with a seller of 800,000 shares prompting the stock price to slide 16 to 430p.

A 7 per cent increase in half-year profits and improved dividend at conglomerate BTR helped the shares jump 20 to 435p in brisk trade of 4.9m.

Paper recycler David S. Smith saw very heavy turnover after Credit Lyonnais Laing crossed a block of 3m shares, more than 2.4 per cent of the shares in issue, between institutions at 260p. The stock fell 20 to 255p.

Granada Group dipped 6 to 240p. A leading broker was reported to have bought a block of around 5m shares at 239p and started selling them at 240 1/2p.

**MARKET REPORTERS:**  
Steve Thompson,  
Joel Kibazo,  
Peter John.

Other market statistics, Page 23

## FINANCIAL TIMES STOCK INDICES

	Sept 10	Sept 9	Sept 8	Sept 7	Sept 6	Sept 5	Sept 4	Sept 3	Sept 2	Sept 1	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	9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**TYPE - Cont.**

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INVESTMENT TRUSTS - Cont.

Notes	Price	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994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● Current Unit Trust prices are available from ET Citywing. For further details call (071) 925 2128

Prices as at Sep 9  
Continued on next page

## FT MANAGED FUNDS SERVICE

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Unit Price				Unit Price				Unit Price				Unit Price			
Code	Unit Price	Change	%	Code	Unit Price	Change	%	Code	Unit Price	Change	%	Code	Unit Price	Change	%
<b>PERMANENT LIFE ASSURANCE CO LTD</b>															
PLA	100.00	0.00	0.0	PLA	100.00	0.00	0.0	PLA	100.00	0.00	0.0	PLA	100.00	0.00	0.0
<b>PRUDENTIAL LIFE ASSURANCE CO LTD</b>															
PLA	100.00	0.00	0.0	PLA	100.00	0.00	0.0	PLA	100.00	0.00	0.0	PLA	100.00	0.00	0.0
<b>SCOTTISH AMERICAN ASSURANCE CO LTD</b>															
PLA	100.00	0.00	0.0	PLA	100.00	0.00	0.0	PLA	100.00	0.00	0.0	PLA	100.00	0.00	0.0
<b>UNIT TRUSTS</b>															
PLA	100.00	0.00	0.0	PLA	100.00	0.00	0.0	PLA	100.00	0.00	0.0	PLA	100.00	0.00	0.0
<b>GUERNSEY (REGULATED)</b>															
PLA	100.00	0.00	0.0	PLA	100.00	0.00	0.0	PLA	100.00	0.00	0.0	PLA	100.00	0.00	0.0
<b>GUERNSEY (NOT REGULATED)</b>															
PLA	100.00	0.00	0.0	PLA	100.00	0.00	0.0	PLA	100.00	0.00	0.0	PLA	100.00	0.00	0.0
<b>MANAGEMENT SERVICES</b>															
PLA	100.00	0.00	0.0	PLA	100.00	0.00	0.0	PLA	100.00	0.00	0.0	PLA	100.00	0.00	0.0
<b>OFFSHORE AND OVERSEAS</b>															
PLA	100.00	0.00	0.0	PLA	100.00	0.00	0.0	PLA	100.00	0.00	0.0	PLA	100.00	0.00	0.0
<b>BERMUDA (NOT REGULATED)</b>															
PLA	100.00	0.00	0.0	PLA	100.00	0.00	0.0	PLA	100.00	0.00	0.0	PLA	100.00	0.00	0.0
<b>ISLE OF MAN (NOT REGULATED)</b>															
PLA	100.00	0.00	0.0	PLA	100.00	0.00	0.0	PLA	100.00	0.00	0.0	PLA	100.00	0.00	0.0

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## CURRENCIES, MONEY AND CAPITAL MARKETS

## FOREIGN EXCHANGES

## Lira closes below ERM floor

BOTH the Italian lira and sterling remained under intense pressure in the European exchange rate mechanism yesterday, despite attempts in Rome and London to support the currencies, writes James Blyth.

The Italian authorities are making a huge attempt to support the lira, but the currency spent most of the European trading day on or near its ERM floor of 1765.40 against the D-Mark.

Last week, Italy raised interest rates by 1.75 percentage points and, on Wednesday, the government announced that it would be seeking emergency powers to alter taxation and investment in the economy where necessary.

Neither of these moves is having much effect on the markets. "Dealers increasingly believe that the lira will be devalued, irrespective of the outcome of the French referendum on the Maastricht treaty," said Mr Jeremy Hawkins,

senior American adviser at Bank of America in London.

Yesterday, Mr Carlo Ciampi, the Bank of Italy's Governor, criticised the Bundesbank for having "excessively high" interest rates, and said that they should be cut. Some dealers saw this as a particularly ominous development because the criticism came as the German central bank was helping to support the Italian currency by buying lira through open market intervention.

The Italians may have been frustrated that the German intervention, which is required under EMS rules, was not large enough. Several analysts said the intervention had been too small, and the lira closed in London below its ERM floor at 1765.7.

Sterling was under less pressure, than it had been on Wednesday evening, but hovered around the DM2.78 level for most of the day, close to its ERM floor of DM2.780. The pound was partly supported by

a statement from the British government that sterling would remain fixed to its central ERM rate of DM2.93.

Compounding this were unofficial suggestions that the Bundesbank's lower rates before the end of the year. Mr Eberhard Martin, the president of Germany's main bank, trade group, said German interest rates could come down "at the latest, possibly in December." However, the pound closed in London unchanged at DM2.7875.

The dollar rallied sharply to a high of DM1.4198 in the European morning, partly on comments from Mr Wayne Angell, a US Federal Reserve Governor, that the US currency was seriously undervalued. However, a substantial sell order by a large far Eastern investor wiped out these gains and the dollar closed virtually unchanged in London at DM1.4105.

## C IN NEW YORK

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

Forward premiums and discounts apply to the US dollar

## STERLING INDEX

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## CURRENCY MOVEMENTS

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## CURRENCY RATES

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## OTHER CURRENCIES

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## MONEY MARKETS

## Futures recover

STERLING futures dipped even further in early morning trading yesterday as dealers became increasingly concerned about the pound's fall the night before on the foreign exchanges.

However, futures recovered later in the day as the pound stabilised at around DM2.79 against the D-Mark, and the dollar rallied further against the German currency.

In the early morning, the December short sterling contract opened 6 basis points down at 89.17 and quickly dipped to a low of 89.14. It later recovered, however, to close 13 basis points up on the day at 89.30. Trading in the September contract, which expires next week, was far less volatile. After dipping to a low of 89.26, the contract later recovered to close at 89.45.

One clearing bank dealer said that there was no sign that the Bank of England had yet bought sterling on the foreign exchanges by means of its recent D-Mark borrowing facility, and that this helped to support the currency.

But the market remained very tense. Unlike

## EUROPEAN CURRENCY UNIT RATES

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## POUND SPOT - FORWARD AGAINST THE POUND

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## EURO CURRENCY INTEREST RATES

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## EXCHANGE CROSS RATES

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## FT LONDON INTERBANK FIXING

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## MONEY RATES

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## LONDON MONEY RATES

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## FINANCIAL FUTURES AND OPTIONS

## LIFE LINE GUY FUTURES OPTIONS

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## LIFE LINE GUY FUTURES OPTIONS

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## LIFE LINE GUY FUTURES OPTIONS

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## LIFE LINE GUY FUTURES OPTIONS

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## LIFE LINE GUY FUTURES OPTIONS

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## LIFE LINE GUY FUTURES OPTIONS

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## LIFE LINE GUY FUTURES OPTIONS

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## LIFE LINE GUY FUTURES OPTIONS

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## LIFE LINE GUY FUTURES OPTIONS

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## LIFE LINE GUY FUTURES OPTIONS

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## LIFE LINE GUY FUTURES OPTIONS

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## LIFE LINE GUY FUTURES OPTIONS

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## LIFE LINE GUY FUTURES OPTIONS

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## LIFE LINE GUY FUTURES OPTIONS

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## LIFE LINE GUY FUTURES OPTIONS

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## LIFE LINE GUY FUTURES OPTIONS

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## LIFE LINE GUY FUTURES OPTIONS

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## LIFE LINE GUY FUTURES OPTIONS

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## LIFE LINE GUY FUTURES OPTIONS

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## LIFE LINE GUY FUTURES OPTIONS

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## LIFE LINE GUY FUTURES OPTIONS

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## LIFE LINE GUY FUTURES OPTIONS

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## LIFE LINE GUY FUTURES OPTIONS

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## LIFE LINE GUY FUTURES OPTIONS

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## LIFE LINE GUY FUTURES OPTIONS

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## LIFE LINE GUY FUTURES OPTIONS

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## LIFE LINE GUY FUTURES OPTIONS

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700

## LIFE LINE GUY FUTURES OPTIONS

Set 10	Set 10	Previous
1.0000	1.7700	1.7700
1.0000	1.7700	1.7700</

## WORLD STOCK MARKETS

[illegible][illegible]

# CANADA

Index	Stock	High	Low	Close	Chng	Index	Stock	High	Low	Close	Chng	Index	Stock	High	Low	Close	Chng	
<b>TORONTO</b>																		
3 pm September 10																		
Outstanding in same value marked %																		
100 AllShare Pk	\$147.5	147.5	147.5	148		75000	Coroll Syst	\$223.5	214	215	215	+	1	1000	Loans Op	\$3.5	3.5	3.5
117000 All Pk	\$67.5	67.5	67.5	67.5		30000	Securities	\$14.5	14.5	14.5	+	2	1000	Loans Op	\$3.5	3.5	3.5	
600000 All Cde	400	400	400	390	-10	10000	Crown C	\$128	128	125	-3	3	700	Loans C	\$17.5	17.5	17.5	
26200 All Int	4018.5	15.5	15.5	15.5		2000	Danion Data	\$22	22	22		4	84000	Machandise	\$3.5	3.5	3.5	
100 AllShare S	\$18.5	18	18	18		1000	Dorian	\$3.5	3.5	3.5	+	5	1000	Machandise	\$3.5	3.5	3.5	
101000 All S	\$18.5	18	18	18		16400	Odyssey	\$111.5	111.5	111.5	+	6	1000	Machandise	\$3.5	3.5	3.5	
436000 All Bmt	\$37.5	37.5	37.5	37.5		33000	Donner Int	\$7.5	7.5	7.5	+	7	1000	Machandise	\$3.5	3.5	3.5	
1900 All Cn	\$111.5	111.5	111.5	111.5		33000	Dunlop C	\$315	305	305	-10	8	1000	Machandise	\$3.5	3.5	3.5	
140000 Bt Mon H	\$47.5	46.5	46.5	46.5		11300	East Int	\$7.5	7.5	7.5	+	9	1000	Machandise	\$3.5	3.5	3.5	
50000 Bt Mon H	\$30.5	30.5	30.5	30.5		10100	Emco Ltd	\$8	8	8	+	10	1000	Machandise	\$3.5	3.5	3.5	
40000 Bt Sgr A	\$6.5	6.5	6.5	6.5		1400	Engage	\$11.5	11.5	11.5	+	11	1000	Machandise	\$3.5	3.5	3.5	
32700 Bt Sgr A	\$6.5	6.5	6.5	6.5		1400	Engage	\$11.5	11.5	11.5	+	12	1000	Machandise	\$3.5	3.5	3.5	
41000 Bt Sgr A	\$6.5	6.5	6.5	6.5		3000	FPM Ltd	\$10	10	10	+	13	1000	Machandise	\$3.5	3.5	3.5	
3000 Bt Sgr A	\$6.5	6.5	6.5	6.5		1400	Fahnestock	\$315	315	315	+	14	1000	Machandise	\$3.5	3.5	3.5	
38000 Bt Sgr A	\$14.5	14.5	14.5	14.5		100	Finning	\$12.5	12.5	12.5	+	15	1000	Machandise	\$3.5	3.5	3.5	
10000 Bt Valley	\$11.5	11.5	11.5	11.5		4700	Globe C	\$1450	1450	1450	+	16	1000	Machandise	\$3.5	3.5	3.5	
12000 Bt Valley	\$14.5	14.5	14.5	14.5		4300	Form	\$115	115	115	+	17	1000	Machandise	\$3.5	3.5	3.5	
122000 Bramford	100	100	100	100		2000	Franchise	\$28.5	28.5	28.5	+	18	1000	Machandise	\$3.5	3.5	3.5	
40000 Bramford A	\$18.5	18	18	18		1200	Glenora	\$18.5	18.5	18.5	+	19	1000	Machandise	\$3.5	3.5	3.5	
12000 Bramford B	\$18.5	18	18	18		57000	Globe C	\$1450	1450	1450	+	20	1000	Machandise	\$3.5	3.5	3.5	
26900 Bt Cn	\$21.5	21.5	21.5	21.5		1000	Grange	\$140	140	140	+	21	1000	Machandise	\$3.5	3.5	3.5	
3000 Bt Cn	\$20.5	20.5	20.5	20.5		1100	Grange	\$140	140	140	+	22	1000	Machandise	\$3.5	3.5	3.5	
1000 Bramford	\$10	10	10	10		31200	Guar Cn	\$6.5	6.5	6.5	+	23	1000	Machandise	\$3.5	3.5	3.5	
						2000	GW Ltd	\$9.5	9.5	9.5	+	24	1000	Machandise	\$3.5	3.5	3.5	
						1000	Heald	\$6.5	6.5	6.5	+	25	1000	Machandise	\$3.5	3.5	3.5	
						1000	Heald	\$6.5	6.5	6.5	+	26	1000	Machandise	\$3.5	3.5	3.5	
						1000	Heald	\$14.5	14	14.5	+	27	1000	Machandise	\$3.5	3.5	3.5	
						3400	Heald	\$6.5	6.5	6.5	+	28	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	29	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	30	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	31	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	32	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	33	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	34	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	35	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	36	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	37	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	38	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	39	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	40	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	41	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	42	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	43	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	44	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	45	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	46	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	47	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	48	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	49	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	50	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	51	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	52	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	53	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	54	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	55	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	56	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	57	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	58	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	59	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	60	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	61	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	62	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	63	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	64	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	65	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	66	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	67	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	68	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	69	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	70	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	71	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	72	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	73	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	74	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	75	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	76	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	77	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	78	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	79	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	80	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	81	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	82	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	83	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	84	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	85	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	86	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	87	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	88	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	89	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	90	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	91	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald	\$11.5	11.5	11.5	+	92	1000	Machandise	\$3.5	3.5	3.5	
						3000	Heald											

# INDICES

NEW YORK DOW JONES	Sep 8	Sep 8	Sep 8	Sep 8	1988	Since completion	HIGH	LOW	1987	HIGH	LOW	1986
	Sep 10	Sep 9	Sep 8	Sep 7								
Materials	3673.39	3660.99	3681.93	3692.20	3413.21	3172.41	3413.21	3172.41	3413.21	3172.41	3413.21	3172.41
Energy	102.62	102.51	102.58	102.57	102.62	98.41	102.62	98.41	102.62	98.41	102.62	98.41
Transport	1206.13	1203.68	1208.09	1203.07	1067.88	1204.40	1067.88	1204.40	1067.88	1204.40	1067.88	1204.40
Utilities	221.08	220.21	220.46	219.70	221.08	219.70	221.08	219.70	221.08	219.70	221.08	219.70
D.I. Ind. Div. Day's High 3294.00 Close 3294.75 (Thursday) Low 3284.75 (Wednesday) High 3294.75 (Thursday) Low 3284.75 (Wednesday)	Sep 10	Sep 9	Sep 8	Sep 7								
STANDARD AND POOR'S												
Composite I	414.36	414.44	417.08	417.36	425.09	394.50	425.09	394.50	425.09	394.50	425.09	394.50
Financial	34.62	34.60	35.19	35.23	409.51	410.49	409.51	410.49	409.51	410.49	409.51	410.49
NYSE Composite	229.10	229.37	229.75	230.13	231.66	217.97	231.66	217.97	231.66	217.97	231.66	217.97
Amer. Mkt. Value	382.2	382.35	384.85	385.13	412.92	394.40	412.92	394.40	412.92	394.40	412.92	394.40
NASDAQ Composite	574.89	571.17	573.44	574.88	642.92	507.24	642.92	507.24	642.92	507.24	642.92	507.24
Dow Industrial Div. Yield	Sep 4	Aug 28	Sep 4	Aug 28	year ago (approx.)		Sep 4	Aug 28	year ago (approx.)		Sep 4	Aug 28
	3.15	3.16	3.17	3.04			3.15	3.16	3.17	3.04		
S & P Industrial Div. Yield	Sep 4	Aug 28	Sep 4	Aug 28	year ago (approx.)		Sep 4	Aug 28	year ago (approx.)		Sep 4	Aug 28
	2.63	2.64	2.62	2.70			2.63	2.64	2.62	2.70		
S & P Ind. P/E ratio	Sep 4	Aug 28	Sep 4	Aug 28	year ago (approx.)		Sep 4	Aug 28	year ago (approx.)		Sep 4	Aug 28
	27.52	27.38	29.06	21.35			27.52	27.38	29.06	21.35		
NEW YORK ACTIVE STOCKS	Sep 8	Sep 8	Sep 8	Sep 8	Sep 8	Sep 8	Sep 8	Sep 8	Sep 8	Sep 8	Sep 8	Sep 8
Stocks traded												
Closing prices on day												
Wednesday												
Su Mears	1,385.90	34	—	—	New York SE	173,000	124,000	124,000	124,000	124,000	124,000	124,000
Chemical Bank	2,250.30	31	—	—	Amer	10,765	9,534	139,390	139,390	139,390	139,390	139,390
Bank of America	2,224.00	154	—	—	NYSE	2,736	123,975	123,975	123,975	123,975	123,975	123,975
Philly Mears	1,696.10	84	—	—	NYSE	2,736	123,975	123,975	123,975	123,975	123,975	123,975
Telecom	1,671.50	434	—	—	NYSE	2,736	123,975	123,975	123,975	123,975	123,975	123,975
U.S. Indicators	1,454.00	84	—	—	NYSE	2,736						
65C Div	1,400.00	324	—	—	NYSE	2,736						
Compu Comp	1,374.00	324	—	—	NYSE	2,736						
TRADING ACTIVITY	Sep 8	Sep 8	Sep 8	Sep 8	Sep 8	Sep 8	Sep 8	Sep 8	Sep 8	Sep 8	Sep 8	Sep 8
T Volume												
Millions												
New York SE	173,000	124,000	124,000	124,000	124,000	124,000	124,000	124,000	124,000	124,000	124,000	124,000
Amer	10,765	9,534	139,390	139,390	139,390	139,390	139,390	139,390	139,390	139,390	139,390	139,390
NYSE	2,736	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975
NYSE	2,736	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975
NYSE	2,736	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975
NYSE	2,736	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975
NYSE	2,736	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975
NYSE	2,736	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975
NYSE	2,736	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975
NYSE	2,736	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975
NYSE	2,736	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975
NYSE	2,736	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975
NYSE	2,736	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975
NYSE	2,736	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975
NYSE	2,736	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975
NYSE	2,736	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975
NYSE	2,736	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975
NYSE	2,736	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975
NYSE	2,736	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975
NYSE	2,736	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975
NYSE	2,736	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975
NYSE	2,736	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975
NYSE	2,736	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975
NYSE	2,736	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975
NYSE	2,736	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975
NYSE	2,736	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975
NYSE	2,736	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975
NYSE	2,736	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975
NYSE	2,736	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975
NYSE	2,736	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975
NYSE	2,736	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975
NYSE	2,736	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975	123,975
NYSE	2,736											

[illegible]

TOKYO - Most Active Stocks						
Thursday, September 10, 1992						
	Stocks	Closing	Change	Stocks	Closing	Change
	Traded	Price	on day	Traded	Price	on day
Uniq. Mail .....	2.1m	1,380	+70	Nissan Mining ....	0.8m	-290
Green Cross .....	1.1m	1,750	+102	Pigeon Zoo .....	0.1m	80
Asahi-Har. Hy .....	1.1m	517	-7	Kawasaki Kasei ..	0.7m	+25
Sunshine Crd. ....	1.0m	888	+39	Nucor Kasei .....	0.7m	-18
Kaiser Elec .....	1.0m	857	+44	Tokyo Corp .....	0.6m	+28

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## NEW YORK STOCK EXCHANGE COMPOSITE PRICES

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## WORLD STOCK MARKETS

## AMERICA

## Level dollar and gains abroad boost equities

## Wall Street

US SHARE prices edged higher yesterday morning, buoyed by strong overseas markets, a stable dollar and hopes that lower interest rates will boost economic activity, writes Patrick Harveron in New York.

By 1 pm the Dow Jones Industrial Average was up 9.46 at 3,280.65. The more broadly based Standard & Poor's 500 was also firmer at mid-session, up 0.79 at 417.15, while the Amex composite added 0.29 at 383.11 and the Nasdaq composite rose 1.57 to 576.46. Turnover on the NYSE was 115m shares by 1 pm, and rises outpaced declines by 584 to 870.

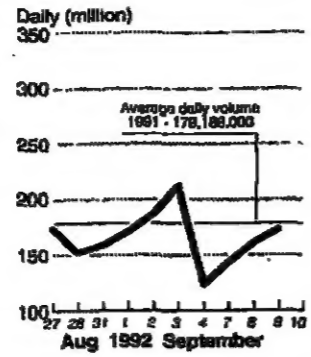
The dollar's stability - it held its ground at DM1.41 against the Deutschmark yesterday morning - and gains overnight in Japanese and European equity markets set the tone for a positive opening to trading. Sentiment was also cheered by hopes among some investors that the latest decline in interest rates will eventually feed through into economic growth.

The Labor department reported that state unemployment claims during the last week of August rose by 8,000. Although this was slightly smaller than expected by analysts, the figures indicated that labour market conditions throughout the country remain

depressed. The next important economic news is the inflation data due out today. The market is expecting the producer price index to have risen by 0.1 per cent in August.

Among individual stocks, Chubb fell 5/8 to 73 1/2 after

## NYSE volume



Kemper Securities lowered its 1992 earnings estimate to take account of losses which the insurer will incur as a result of Hurricane Andrew. Estimates put those losses at between \$5m and \$10m for the year.

National Semiconductor

announced a 10 per cent increase in its quarterly dividend to 17 cents a share, a big turnaround from the \$1.64 a share loss taken after a charge at the same stage of 1991.

Gillette fell 3/8 to \$56 1/2 after announcing the acquisition of the UK group, Parker Pen Hold-

ings, for about \$561m. The acquisition will be financed with new borrowings.

Best Buy edged 3/4 higher to \$17 1/2, although below its high for the day, after the electronic appliance retailer said that it was "comfortable" with analysts' forecasts of 25 cents a share earnings for the third quarter.

On the Nasdaq market, Apple fell \$1 to \$48 in heavy trading after the computer group announced a restructuring which would lead to job cuts and a fourth-quarter pre-tax charge of \$20m.

Alliance Pharmaceutical plunged 4 1/2, or 30 per cent, to \$10 1/2 on news that clinical trials on two of the company's products will not resume this month.

## Canada

TORONTO turned lower at midday, as expectations that the Bank of Canada will raise its key rate led to profit-taking in bank shares. The TSE 300 composite index was 8.5 weaker at 3,440.6 at mid-session, in volume of 16.5m shares. Declines led advances by 204 to 187, and turnover was 415.9m.

Among the most active stocks, PWA was up 10 cents at C\$3.50, Air Canada was 40 cents lower at C\$3.90 and Scott's Hospitality was C\$4 lower at C\$14.4.

## EUROPE

## Two December bets on German rate cut

THE Bundesbank could cut interest rates in December, writes Our Markets Staff. Mr James Cornish, a strategist with County NatWest, said yesterday that Bundesbank professional staff see room for a percentage point cut in discount rate then, probably with a smaller fall in Lombard rate as well.

Meanwhile, Mr Eberhard Martini, president of the German Banking Association and chairman of Bayernhypo, said in a magazine interview that German interest rates could come down "at the beginning of next year at the latest, possibly though in December."

FRANKFURT rallied from mid-session lows, the DAX index closing 3.41 higher at 1,528.67 after a 3.08 fall to 1,525.57 in the FAZ at mid-session. Turnover was little changed at DM4.2bn.

Dealers gave futures markets the credit for the rebound. Heavyweights featured with Allianz closing DM5 higher at DM1,730 after a DM25 fall to its low for the day.

Chemicals were mostly flat,

## FT-SE Eurotrack 100 - Sep 10

Open	10.30am	11am	12pm	1pm	2pm	3pm	close
1022.09	1020.79	1021.29	1024.10	1025.52	1025.52	1026.81	1027.59
Day's High 1028.33 Day's Low 1019.94							
Sep 9	Sep 8	Sep 7	Sep 4	Sep 3			
1021.42	1029.36	1032.28	1029.27	1031.46			

Base value 1000 (28/10/92)

but a large selling order from London and tomorrow's start of the subscription period for a one-for-seven rights issue saw Degussa drop DM10.30 to DM303 before finishing DM5 lower at DM308.30.

MILAN's privatisation candidates, Credito Italiano and Nuovo Pignone, were suspended yesterday and interest moved to companies for which similar hopes had been disappointed. The food group, Sme dropped L148, or 4.1 per cent to L130.01 and Banca Commerciale by L47 to L13,528.

An early rally on government capital gains moves and privatisation news faded as thoughts returned to Italy's present financial situation, and a rise of 1.63 to 376.36 in the

Comit index at the official close was replaced by a fall of nearly 1 per cent in London post-house trading.

PARIS advanced in a technical reaction to recent declines, the CAC-40 index rising 17.41 to 1,774.19 in turnover of FF1.8bn.

Rhône-Poulenc, suspended limit down in the morning after cutting its projected 1992 operating profit, saw its certificate reaction to recent declines, the CAC-40 index rising 17.41 to 1,774.19 in turnover of FF1.8bn.

St Gobain was another casualty, losing FF113 to FF166 on expectations of disappointing first half figures. Air Liquide gained from switching out of Rhône-Poulenc, putting on FF118 to FF174.5.

Among Nordic markets, SWEDEN's Affarsvärden index lost 5.3 to 707.2 and OSLO's composite index advanced 6.09 to 309.33.

Mr David Longmuir of James Capel noted on Sweden that, while the collapse in the financial sector kept sentiment nervous, foreign buyers were seen coming into the market in late trading, focusing on international blue chips. Astra, whose A shares gained SKr2 to SKr513 while the B's were unchanged at SKr503, accounted for 25 per cent of turnover.

Mr Peter Bradshaw, Scandinavian analyst at Robert Fleming, commented that Oslo remained resilient because of benefits derived from the oil sector and lower interest rates. Norsk Hydro climbed NKr5.50 to NKr130.00.

RUSSIA rose as money market rates edged lower, the SMI index adding 13.7 to 1,792.8. However, Kromi fell SF200 to SF26,700. The travel agency, which said yesterday that it has been shoring up its takeover defences after its largest

shareholder selling out in May, has risen from a low of SF13,400 early in the year.

BRUSSELS moved up in light trading, with banks and financial groups stronger on news that the Dutch insurer, ING, may bid for BBL. The Belx index advanced 7.16 to 1,073.21. BBL, which closed at BF3,275 on Wednesday, was suspended from trading yesterday amid uncertainty over the possible ING bid.

Elsewhere, Tessenaderlo rose BF40 to BF6,050 after announcing an interim dividend in the chemical industry. In the same sector, UCB rose BF400 to BF22,350 after announcing a rise in first half profit after the close on Wednesday.

AMSTERDAM saw strong interest in ING, down FL1.80 to FL42.90 on the BBL story. The CBS Tendency index closed at 108.3. Royal Dutch firmed 60 cents to FL142.30 after announcing a higher interim dividend.

MADRID's general index lost 2.37 to 207.65.

## ASIA PACIFIC

## Tokyo volume climbs as Hong Kong shivers

## Tokyo

A LATE bout of futures-related selling pared earlier gains to leave the Nikkei average only modestly higher on the day, writes Neil Wainwright Tokyo. The Nikkei average gained a net 32.99 at 18,908.47 after registering a day's high of 19,284.12, its best level for more than five months, and a low of 18,894.22.

Turnover expanded sharply to 600m shares, while rises outpaced falls by 666 to 339, with 137 issues unchanged. The Topix index of all first section stocks finished 1.45 up at 1,414.97, while in London the ISE/Nikkei 50 index was a slight 0.69 firmer at 1,142.22.

After clearing the 19,000 mark with ease, the Nikkei was pulled down by futures-related selling ahead of today's expiration of September futures. The afternoon retreat from earlier levels contrasted with the previous day, when a late round of futures-linked activity pushed the index sharply ahead.

A trader speculated that the financial authorities may be influencing trading behind the scenes to support the market until after the first half of the fiscal year account closes at the end of the month. The Finance Ministry is widely acknowledged to be putting pressure on companies not to sell shares before that date.

The Bank of Japan is scheduled today to release its *unankun* quarterly economic survey. The results are expected to show further deterioration in the economy, but the market has already discounted this into equity prices.

Speculative biotechnology and pharmaceutical shares, which have performed strongly

in recent sessions, suffered a bout of heavy selling. Meiji Milk, the day's most active issue, was off Y70 at Y1,120 amid cross-trading, and Green Cross lost Y100 to Y1,780.

Public works-related shares fared well, with Sumitomo Cement rising Y20 to Y559 and Osaka Cement Y7 to Y442.

In Osaka, the OSE average rose 336.17 to 20,394.79 in volume of 32.2m shares. Aoyama Trading fell Y430 to Y7,190.

## Roundup

POLITICAL worries in Hong Kong provided the main feature of the day elsewhere in the Pacific Rim region.

HONG KONG finished sharply lower on worries about worsening Sino-US trade relations, the Hang Seng index recording a fall of 95.44, or 1.7

per cent, at 5,531.55 in turnover down from Wednesday's HK\$1.51bn to HK\$1.46bn.

China's retaliation plan against possible US trade sanctions, with a list of US goods targeted for punitive tariffs, combined with uncertainty over President George Bush's political future, and leading blue chips, which had gained in a recent rebound, lost the most. HSBC topped the active list and ended HK\$1 off at HK\$54.50, while Cheung Kong, 40 cents down at HK\$22.40, came second.

NEW ZEALAND was dragged lower by continuing weakness in Fletcher Challenge (FLC). The NZSE-40 index declined by 6.18 to 1,453.78 in turnover of NZ\$31.5m.

News that FLC was about to sell a third of its stake in Natural Gas to Australian Gas

Light for NZ\$152m, and another third to the public, failed to improve sentiment in the stock, which closed 8 cents cheaper at NZ\$21.4.

AUSTRALIA reversed early falls and the All Ordinaries index was finally 6.1 up on balance at 1,484.0, after touching 1,482.3. Turnover amounted to A\$368.3m.

Banks were generally higher, with Westpac advancing 13 cents to A\$2.88 after more than 33m rights to the bank's forthcoming share issue were traded.

SINGAPORE ended firmer but sentiment was dampened in the afternoon by the Hong Kong performance. The Straits Times Industrial Index recorded a net gain of just 3.53 at 1,372.07.

KUALA LUMPUR weakened after Wednesday's holiday, although motor shares gained ground on news that the government will ease financing for the purchase of commercial vehicles. The composite index slipped 2.45 to 584.19 in volume of 58.4m shares.

BANGKOK closed at a four-month high, with banks and finance issues among the day's main gainers. The SET index put on 6.35, or 1 per cent, to 791.20 in turnover of B\$12.88m.

Union Asia Finance, unchanged at B\$113, was the day's most active stock on turnover of B\$1.13m.

MANILA's composite index gained 5.53 at 1,412.00 in combined turnover of 195m pesos. TAIWAN saw very thin trade ahead of its closure for the mid-autumn festival today and tomorrow, but the weighted index finished 15.38 higher at 3,785.50.

## Shell-shocked Argentina sees some rays of hope

But small investors may have been hurt too badly to care, writes John Barham from Buenos Aires

THE worst is over for the Buenos Aires stock market, shell-shocked after a 45 per cent slide in share prices since June. That, at least, is the optimistic view being put about by local brokers, who forecast a gentle but uninterrupted rise in prices for the rest of the year.

Even if they are right, there is unlikely to be much cheering in the narrow streets of the city's financial centre. During the bull run earlier this year, crowds blocked traffic as they scanned the big electronic boards which flash up share prices during trading hours.

These small-time punters, many of whom gambled their life savings on the stock market or played the derivatives market, panicked when share values dipped and are unlikely over to return. Neither are the dozen or so companies, which were bracing themselves to go public, likely to venture into such a depressed and unstable market.

The strong flow of foreign capital may have stopped, but it has slowed to a trickle as foreigners have become far more cautious.

All this is a great pity. Argentina has missed a golden opportunity to build a more widely based and more professional equity market, which could provide capital for companies and reasonable investment for savers. Instead, the Argentine's deep-seated speculative urges gained the upper hand.

Profit-taking and anxiety overseas about Latin stocks in June sent prices down. That

was the signal for heavily leveraged investors to desert the market, rather than increase their margins. Banks dumped their collateral on the stock market and investors locked into futures contracts, which they thought would yield a real 25 to 30 per cent annual profit, were left



holding stocks as prices fell.

Now the market seems to have stopped for a rest. Brokers, optimistic as ever, say it will start to move forward and are advising clients to buy. Analysts also believe prices have hit bottom. Mr Roberto Zorzano of economic consultants Macroeconomia says: "From now on, it is a smooth run upwards all the way to the end of the year."

Mr Eugenio Reynal, equities chief at investment bank Merchant Bankers Asociados, declares that the fourth quarter of 1992 will be the best this year. "Inflation will fall below one per cent a month and

international interest rates will keep falling," he says. "The stock exchange is still not cheap, but I am looking very carefully at some companies. Research is 90 per cent of the decision now - before it was all instinct."

About two dozen private companies which include two affiliates of food giant Bunge y Born, Citibank's local industrial holding company, and paper maker Alto Parana, have won government approval for their listings and are ready to go public. But they are holding back, waiting for prices to rise.

Mr Zorzano says equity finance for a blue chip is now twice as expensive as a local bond placement.

Mr Christopher Eccleston, an equity analyst, says foreign investors will turn their nose up at any new stock which is not "well priced", with prospective price/earnings ratios of about 10. Three local companies, including Sevel, Argentina's biggest car company which builds Peugeot and Fiat cars under licence, have gone public this year. But in each case their prices have performed badly, making investors wary of new issues.

However, Mr Zorzano warns that his bullish forecast ends in December. He expects more unrest at the end of the year, when the costs of Argentina's tough adjustment policies start becoming brutally apparent.

He says: "There is a big question mark at the end of the year."

## FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWestWood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	WEDNESDAY SEPTEMBER 9 1992								TUESDAY SEPTEMBER 8 1992								DOLLAR INDEX			
	Figures in parentheses are % change from previous day's stock	US Dollar Index	Day's Change	% chg	Point	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div Yield	US Dollar Index	Day's Change	% chg	Point	Yen Index	DM Index	Local Currency Index	Local % chg on day	1992 High	1992 Low
Australia (68)		124.36	-0.8	93.35	96.84	91.23	114.57	-1.5	4.54	125.36	92.74	97.23	90.88	116.77	153.98	138.36	124.36	153.98	138.36	146.78
Austria (19)		156.70	-1.3	117.83	122.03	114.95	114.89	-0.1	2.55	156.82	117.50	123.19	114.90	114.94	186.70	184.01	156.70	186.70	184.01	184.01
Belgium (42)		143.84	-1.4	107.82	111.85	105.37	103.08	-0.0	5.97	145.67	107.71	112.07	105.38	103.10	152.77	135.87	143.84	152.77	135.87	146.78
Canada (114)		125.90	-0.7	94.51	98.04	92.35	110.67	-0.1	3.14	126.82	93.82	98.36	91.74	110.57	142.12	124.32	125.90	142.12	124.32	124.32
Denmark (33)		216.38	-1.7	162.42	168.50	158.71	160.30	-0.4	1.77	220.09	162.83	170.71	159.22	167.97	213.94	205.44	216.38	213.94	205.44	205.44
Finland (53)		53.09	-1.1	39.85	41.35	38.55	50.35	-0.8	2.90	53.68	39.70	41.62	38.82	48.93	89.50	95.41	53.09	89.50	95.41	95.41
France (102)		161.97	-2.0	121.59	126.13	118.61	122.15	-0.5	5.89	165.26	122.26	126.17	119.55	122.61	160.93	146.06	161.97	160.93	146.06	146.06
Germany (64)		118.24	-2.7	86.76	92.10	86.74	96.74	-0.7	6.87	121.47	89.96	94.22	87.87	97.67	129.69	114.42	118.24	129.69	114.42	114.42
Hong Kong (53)		235.52	+0.6	175.80	183.41	172.78	233.89	+0.6	3.61	234.14	173.22	181.00	169.39	232.32	259.55	178.36	235.52	259.55	178.36	178.36
Ireland (16)		157.32	-1.0	118.09	122.51	115.40	117.75	-0.1	4.48	158.91	117.58	123.25	114.56	117.53	173.71	151.78	157.32	173.71	151.78	151.78
Italy (78)		59.86	+0.7	44.94	46.62	43.91	48.15	+2.0	4.33	59.43	43.97	46.10	43.00	47.16	80.86	58.17	59.86	80.86	58.17	58.17
Japan (473)		115.24	+1.3	86.51	89.75	84.55	89.75	+1.8	0.95	117.32	84.13	88.20	82.28	83.20	140.95	87.27	115.24	140.95	87.27	87.27
Malaysia (65)		240.00	+0.0	180.16	185.89	176.05	230.25	+0.0	2.74	240.00	177.55	186.14	173.82	230.25	250.47	212.48	240.00	250.47	212.48	212.48
Mexico (18)		128.67	-1.3	98.02	100.79	94.60	101.60	-1.4	1.38	130.23	99.47	101.54	94.51	97.23	178.77	129.94	128.67	178.77	129.94	129.94
Netherlands (52)		164.98	-1.3	123.82	129.48	121.03	119.72	+0.0	4.89	167.16	123.67	129.65	120.93	119.87	187.23	147.88	164.98	187.23	147.88	147.88
New Zealand (14)		42.05	-0.4	31.36	32.75	30.44	41.25	-1.0	5.51	42.22	31.24	32.75	30.56	41.68	49.52	41.90	42.05	49.52	41.90	41.90
Norway (22)		139.55	-2.6	104.84	108.76	102.45	105.68	-1.4	2.29	143.38	106.07	111.20	103.73	107.23	192.95	136.40	139.55	192.95	136.40	136.40
Singapore (38)		192.93	-0.5	144.22	150.24	141.32	141.38	-0.4	2.34	193.82	143.48	148.20	142.09	228.83	180.71	157.85	192.93	228.83	180.71	180.71
South Africa (91)		177.04	-2.7	132.90	137.47	129.37	151.61	-1.8	4.90	176.27	133.01	138.97	130.30	164.53	177.04	244.32	177.04	176.27	244.32	244.32
Sweden (48)		140.64	-3.1	105.57	109.53	103.17	97.49	-2.1	6.13	145.19	107.41	112.61	105.03	99.54	161.72	120.47	140.64	161.72	120.47	120.47
Switzerland (61)		171.31	-3.7	128.60	133.42	125.68	130.67	-2.5	3.15	177.82	121.55	127.82	124.54	134.06	200.28	171.31	171.31	200.28	171.31	171.31
United Kingdom (228)		115.67	-1.6	86.76	90.81	84.79	89.84	-0.4	2.39	117.73	87.10	91.32	85.18	89.58	117.73	95.98	115.67	117.73	95.98	95.98
USA (522)		159.87	+0.5	125.56	129.14	124.47	128.87	-0.5	5.99	159.72	124.96	131.01	122.20	168.91	175.10	169.82	159.87	168.91	175.10	169.82
Europe (783)		148.68	-2.0	110.09	114.21	107.59	109.32	-0.6	4.38	149.82	110.68	116.04	108.24	109.98	158.98	138.51	148.68	158.98	138.51	138.51
Nordic (100)		157.51	-2.9	118.24	122.67	115.55	114.75	-1.7	2.61	162.20	120.00	125.80	114.74	116.73	188.82	157.51	157.51	188.82	157.51	157.51
Pacific Basin (715)		118.99	+1.2	89.33	92.67	87.67	94.45	+1.5	1.29	117.82	87.02	91.23	85.06	90.03	141.97	93.70	118.99	141.97	93.70	93.70
Europe - Pacific (1498)		130.19	-0.5	94.30	97.41	92.41	98.65	-0.5	1.30	130.87	94.30	97.41	92.41	98.65	141.97	93.70	130.19	141.97	93.70	93.70
Europe - Pacific (1498)		130.19	-0.5	94.30	97.41	92.41	98.65	-0.5	1.30	130.87	94.30	97.41	92.41	98.65	141.97	93.70	130.19	141.97	93.70	93.70
Europe Ex. UK (555)		126.73	-2.0	94.38	97.93	92.25	94.02	-0.6	3.82	128.24	94.87	99.48	92.76	94.59	122.86	121.61	126.73	122.86	121.61	121.61
Pacific Ex. Japan (242)		155.72	-0.1	116.90	121.39	114.24	140.52	-0.4	3.78	155.88	115.32	120.92	112.76	141.04	173.31	148.04	155.72	173.31	148.04	148.04
World Ex. US (1991)		131.20	-0.4	96.49	103.18	95.25	102.40	-0.5	2.70	131.86	96.49	102.12	85.25	101.33	145.51	116.18	131.20	145.51	116.18	116.18
World Ex. Japan (1991)		131.20	-0.4	96.49	103.18	95.25	102.40	-0.5	2.70	131.86	96.49	102.12	85.25	101.33	145.51	116.18	131.20	145.51	116.18	116.18
World Ex. So. Afr. (2152)		143.05	+0.0	97.31	101.41	104.94	122.81	+0.5	2.81	143.26	106.83	110.95	103.50	122.22	165.05	150.04	143.05	165.05	150.04	150.04
World Ex. Japan (17400)		159.35	+0.5	119.62	124.11	116.91	142.22	+0.0	3.92	160.21	119.53	124.28	115.92	142.24	165.40	150.20	159.35	165.40	150.20	150.20
The World Index (2213)		143.18	+0.0	107.48	111.51	105.04	123.10	+0.5	2.82	143.23	105.96	111.10	103.63	122.54	158.70	130.68	143.18	158.70	130.68	130.68